

# MANDALAY RESOURCES CORPORATION

# **ANNUAL INFORMATION FORM**

For the year ended December 31, 2024

March 28, 2025

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## 1. ABOUT THIS ANNUAL INFORMATION FORM

The information in this Annual Information Form (**"AIF"**) is presented as of December 31, 2024, unless otherwise indicated, and except for information in documents incorporated by reference that has a different date. All dollar amounts in this Annual Information Form are in US dollars, unless indicated otherwise. In this Annual Information Form, references to the **"Corporation"** or **"Mandalay"** refer to Mandalay Resources Corporation and its subsidiaries, unless the context otherwise requires or indicates.

## 2. FORWARD-LOOKING STATEMENTS

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Forward-looking statements may include words such as "plans", "intends", "anticipates", "should", "estimates", "expects", "believes", "indicates", "targeting", "suggests", "continue", "may", "will" and similar expressions. Forward-looking statements include, but are not limited to: statements with respect to the future price of gold ("**Au**"), antimony ("**Sb**") and other metals as well as foreign exchange rates; the estimation of Mineral Reserves and Resources and the related results and timing of such estimates; the performance of Mineral Reserve estimates in predicting amount and quality of ore actually mined; the timing and amount of estimated future production, costs of production, capital expenditures; estimates of expected sales volumes and associated operating and capital costs for its gold and antimony production; costs and timing for the development of new deposits; success of exploration activities and environmental permitting timelines. This Annual Information Form contains forward-looking statements about the Corporation's objectives, strategies, financial condition and results, as well as statements with respect to management's beliefs, expectations, anticipations, estimates and intentions. These forward-looking statements are based on current expectations and various factors and assumptions. Accordingly, these statements entail various risks and uncertainties.

The material factors and assumptions that were applied in making the forward-looking statements in this Annual Information Form include, among others: execution of the Corporation's existing production, capital, and/or exploration plans for each of its properties, which may change due to changes in the views of the Corporation or if new information arises which may make it prudent to change such plans or programs; the accuracy of current interpretation of drill and other exploration results or new information or interpretation of existing information which may result in changes in the Corporation's expectations; and the Corporation's ability to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet demand.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this Annual Information Form describe management's expectations as at the date of this Annual Information Form.
- Readers are cautioned not to place undue reliance on these statements as the Corporation's actual results may differ materially from its expectations as unknown risks or uncertainties may affect its business or estimates or assumptions may prove to be inaccurate. Therefore, no assurance can be provided that forward-looking statements will materialize.
- The Corporation assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or for any other reason, except as may otherwise be required pursuant to applicable laws.

For a description of material factors that could cause actual results to differ materially from the forward-looking statements in this Annual Information Form, see "Risk Factors".

## 3. TECHNICAL INFORMATION

Technical information provided herein for the Costerfield gold-antimony mine ("**Costerfield**") and the Björkdal gold mine (**"Björkdal"**) is based upon information contained in the technical reports in respect of the properties, prepared pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (**"NI 43-101"**) (each, a **"Technical Report"** and collectively, the **"Technical Reports**").

The technical report in respect of Costerfield, entitled "Costerfield NI 43-101 Technical Report" dated March 28, 2025 (the "**Costerfield Technical Report**") and with an effective date of December 31, 2024, was prepared by SRK Consulting (Australia) Pty Ltd. The Mineral Resource Estimate was carried out under the supervision of Cael Gniel MAIG RPGeo (Mineral Resource Estimation), an employee of SRK Consulting. Mr Gniel fulfils the requirements to be a "Qualified Person" for the purposes of NI 43-101 and is the Qualified Person under NI 43-101 for the Mineral Resource Estimate. The Mineral Reserve Estimate was prepared by Vaughn Goyne, AAusIMM, who is a full-time employee of SRK Consulting. Robert Urie fulfils the requirements to be a "Qualified Person" for the purposes of NI 43-101 and independently verified by Robert Urie FAusIMM who is a full-time employee of SRK Consulting. Robert Urie fulfils the requirements to be a "Qualified Person" for the purposes of NI 43-101 and is the requirements to be a "Qualified Person" for the purposes of NI 43-101 and independently verified by Robert Urie FAusIMM who is a full-time employee of SRK Consulting. Robert Urie fulfils the requirements to be a "Qualified Person" for the purposes of NI 43-101 and is the Qualified Person under NI 43-101 for the Mineral Reserve.

The technical report in respect of Björkdal entitled "NI 43-101 Technical Report, Björkdal Gold Mine, Sweden" dated March 28, 2025 (the "**Björkdal Technical Report**") and with an effective date of December 31, 2024, was prepared by SLR Consulting (Canada) Ltd. ("**SLR**"). The Mineral Resource Estimates for the Björkdal, Storheden, and Norrberget deposits were carried out under the supervision of Reno Pressacco, M.Sc.(A), P.Geo., FGC, Associate Principal Geologist, a self-employed associate of SLR and independent of Mandalay. He is a Qualified Person for the purpose of NI 43-101. The Mineral Reserve Estimate was carried out under the supervision of Rick Taylor, CP, MAusIMM, Associate Principal Mining Engineer, a selfemployed associate of SLR and independent of Mandalay. He is a Qualified Person for the purposes of NI 43-101.

The technical information contained in this Annual Information Form with respect to Björkdal and Costerfield has been summarized from the Technical Reports and Interim Memorandum. All summaries and references to Technical Reports are qualified in their entirety by reference to the complete text of the applicable Technical Report, which can be found under the Corporation's profile at <u>www.sedarplus.ca</u>.

## 4. CORPORATE STRUCTURE

## 4.1 Name, Address and Incorporation

The Corporation was incorporated on January 29, 1997, as Mandalay Resources Corporation under the *Business Corporations Act* (British Columbia) ("**BCBCA**"). The Corporation's principal business is the exploration, development, and mining of natural resource properties.

The Corporation's registered office is located at 1066 West Hastings Street, Suite 2600, Vancouver, British Columbia, Canada, V6E 3X1. The Corporation's head office is located at 155 University Avenue, Suite 720, Toronto, Ontario, M5H 3B7.

## 4.2 Intercorporate Relationships

The following chart illustrates the structure of the Corporation as at the date of this Annual Information Form. The chart shows the jurisdiction of incorporation of each active subsidiary and the percentage of

voting securities beneficially owned by the Corporation or over which the Corporation has control or direction.



Mandalay Resources Australia Pty ("**MRA**"), formerly Australian Gold Development ("**AGD**"), is a private Australian Corporation that operates Costerfield and was acquired by Mandalay on December 1, 2009. MRA is governed by the laws of *The Corporations Act 2001* (Australia). MRA owns 100% of the voting securities of its sole subsidiary, Mandalay Resources Costerfield Operations Pty ("**Mandalay Costerfield**"). Mandalay Costerfield is governed by the laws of *The Corporations Act 2001* (Australia).

Mandalay acquired all the issued and outstanding shares of Elgin Mining Inc. ("**Elgin**") on September 10, 2014, in a court-approved plan of arrangement. Bonito Capital Corp. directly owns 100% of Lupin Mines Incorporated, which owns mining interests in Nunavut, Canada. Bonito Capital Corp. also directly owns Mandalay Resources Sweden Holco AB, which was incorporated in 2015 and is governed by the laws of Sweden. Mandalay Resources Sweden Holco directly owns Björkdalsgruvan, Björkdal Exploration AB and Explor Björkdalsgruvan AB, which was formed to hold the tenements for the Norrliden Joint Venture signed May 26, 2017. These entities are governed by the laws of Sweden, and which own and operate the Björkdal mine in Sweden.

## 5. GENERAL DEVELOPMENT OF THE BUSINESS

## 5.1 Three Year History

Since 2022, the Corporation has been focused on production and exploration at its Björkdal and Costerfield properties.

## 2022

On January 24, Mandalay announced the continuation of excellent results from its Björkdal eastward mine extension drilling programs. Since the success of the Lake and Main Zone extension projects, Mandalay drilled a further 17 holes and 7,253 m into the eastern extension of the Björkdal veining in three programs. These are the Central Zone Extension, Central Zone Conversion and Central to Lake Zone. Currently, these results have been connected to the continuation of 21 existing veins and 16 new veins have been discovered.

On February 16, Mandalay announced updated Mineral Resources and Reserves estimates for Costerfield and Björkdal. At Costerfield, Proven and Probable Mineral Reserves for contained gold increased by 24%, net of depletion for 2021 production and extended mine life by two years to 2027, net of depletion for 2021 production. Björkdal maintained strong mine life until 2030, improved geological understanding allowed for upgrades to higher confidence Measured Resources and Proven Reserves and an increase to Measured and Indicated gold Resources of 59,000 oz net of yearly depletion.

On June 9, Mandalay announced results from the Robinson Prospect drilling campaign. Drilling had identified a potential offset to the historically producing Robinson Mine with an intercept of 1,780 g/t gold over 0.17 m (Estimated True Width "**ETW**" of 0.15 m) and visible gold seen in two other drill holes along trend and within two additional intercepts. These intercepts sit 2 km to the south of the Brown Prospect, which was the focus of the Corporation's 2020 and 2021 eastern drilling campaign.

On June 21, Mandalay announced an update on the eastern extension drilling and significant intercepts from the North Zone drilling program at its Björkdal operation in Sweden. The 2022 eastern extension program included seven holes and intercepted 17 modelled veins with encouraging grades amongst them including 14.7 g/t gold over 4.10 m (3.48 m ETW) and 27.3 g/t gold over 2.20 m (1.61 m ETW). In January 2022, Mandalay recommenced the North Zone drilling program with an intention to further define mineralization intercepted in 2020 and test for lateral and vertical extents. The drilling highlighted an area of increased veining density accompanied by increased grades with two of the best results being: 155.0 g/t gold over 0.80 m (0.61 m ETW) in MU22- 002 and 183.0 g/t gold over 0.45 m (0.34 m ETW).

On August 11, Mandalay announced that it had completed the sale of the Challacollo silver-gold project to Aftermath Silver Ltd ("Aftermath"). Pursuant to the terms of the transaction, Aftermath purchased Challacollo in exchange for total consideration consisting of C\$8.0 million in non-contingent consideration plus a 3% net smelter returns royalty on production at Challacollo, capped at \$3.0 million.

On September 13, Mandalay announced an exploration update on Shepherd and the newly discovered Kendall extension. During 2022, Mandalay had been focused on confirming grade continuity through Shepherd and extending the veining horizon both at depth and to the south. The ongoing drilling at Costerfield was achieving these goals, however, the programs were not yet complete and will progress into 2023 before the potential of the Shepherd trend is better understood. The drilling intercepted a potential third veining horizon within the Shepherd domain. This new discovery was slightly deeper and further to the west of the domain and could represent the continuation of a stepped progression of gold concentration across structures.

On December 1, Mandalay announced that it had entered into a credit agreement with The Bank of Nova Scotia (**"Scotiabank"**) providing for a senior secured revolving credit facility in an aggregate amount of up to \$35 million (the **"Revolving Credit Facility"**). The initial drawdown under the Revolving Credit Facility was used to repay the Syndicated Facility which had \$32.6 million outstanding before repayment. The

residual proceeds from the Revolving Credit Facility were used for general corporate and working capital purposes. The hedge arrangements entered into in connection with the Syndicated Facility will remain in place until their expiry in June 2023.

On December 6, Mandalay announced that Dominic Duffy had advised its board of directors (the "**Board**") of his decision to resign as President and Chief Executive Officer for personal reasons. Mr. Duffy will continue to serve as CEO and assist with the transition of leadership until his departure in July 2023. He will also remain on the board in a non-executive capacity after his departure as CEO. The Board engaged a recruiting firm to lead the search process for Mr. Duffy's successor. Mandalay also announced that, effective December 15, 2022, Ryan Austerberry will be promoted to the role of Chief Operating Officer. Adam Self, the current Mine Manager at Costerfield, will replace Mr. Austerberry as Costerfield's General Manager.

## 2023

On January 16, Mandalay announced that the Toronto Stock Exchange (the "**TSX**") had approved its notice of intention to make a normal course issuer bid ("**NCIB**") to acquire up to 4,622,835 of its common shares in the 12-month period commencing January 18, 2023, and ending on January 17, 2024.

On February 21, Mandalay announced an updated Mineral Resources and Reserves estimate for Björkdal. Björkdal's Mineral Reserves increased by 32,000 oz net of yearly depletion, Mineral Reserves gold grade increased by 11% to 1.54 g/t, predominantly through the exploration of the high-grade Eastern plunge extension, and Measured and Indicated Resources increased by 72,000 oz net of yearly depletion with an increase in gold grade of 10% to 2.27 g/t. At Costerfield, Mineral Resources and Reserves were not updated for year-end 2022. The exploration programs in 2022 were more directed towards drill testing of regional targets and large step-outs from the central corridor system.

On February 22, Mandalay announced the continuation of excellent results from its Björkdal eastward mine extension drilling and successful Aurora extension drilling program. The Aurora system had been tested successfully approximately 150 m up dip and to the east from current and scheduled mining. This extension was encouraging as Aurora had been and continues to be the main source of bulk ore tonnage at Björkdal.

On February 28, Mandalay announced an exploration update on the Robinson prospect and early success at the True Blue deep drilling program, 2.5 km from the operating mine at Costerfield. The 12-hole diamond drill program confirmed the presence of gold anomalism along the Wolfe Trend at Robinson Prospect; however, Mandalay had not been able to replicate the exceptional grade of 1,780 g/t over 0.17 m. In light of the updated mineralization model, the Robinson Prospect was put on hold. Deep drilling at the True Blue Prospect had identified subvertical quartz-stibnite veining west of the historically mined lode with substantial grade intercepted in 2 drill holes: 3.8 g/t gold and 4.3% antimony over 2.57 m and 4.4 g/t gold and 4.3% antimony over 1.82 m. Drilling was to continue on the True Blue prospect applying understanding from the Augusta to Youle mineral corridor as an analogue to potentially find a new high-grade mineral field.

On March 6, Mandalay announced that Frazer Bourchier had been hired as Mandalay's new President and Chief Executive Officer to replace Dominic Duffy effective April 3, 2023. Mr. Bourchier was also appointed to the Board.

On July 18, Mandalay announced an exploration update on the Eastern Extension and North Zone drilling program at Björkdal. The drilling of the 10 holes in 2023 revealed that key veining within the Lake Zone area continued to the east. The furthest intercept from current development returned 5.4 g/t gold over 1 m (ETW 0.64 m) in MU23-017. To the north of the current mine, and well-established Aurora Zone, North Zone was an emerging veining system that had been a recent focus of exploration at Björkdal. Since the last market update on North Zone in June 2022, a further 19 holes had been drilled into the area to test extensions of the pre-defined veining. Primarily the upper and western extents were tested using a drilling horizon high in the Aurora mine and, as a result, a new mineral domain was intercepted between the Aurora and North Zones, called the Boreal Zone.

On July 20, Mandalay announced the receipt of the mining concession permit to produce in the Eastern Extension Zone at its Björkdal operation from Bergsstaten (Mining Inspectorate of Sweden). This significant development granted Mandalay the extension of the mining envelope by an additional 350 metres, effectively encompassing the entire resource base that had been drilled and defined over the past two years.

On October 31, Mandalay announced the hiring of Scott Trebilcock as Executive Vice President and Chief Development Officer, effective immediately. Mr. Trebilcock's appointment signaled Mandalay's transition to a new phase of growth and its vision to become a critical player within a consolidated gold sector.

On November 7, Mandalay announced exploration update on Shepherd and Brunswick Deeps Discovery at Costerfield operation in Victoria, Australia. Shepherd revealed itself as a network of sheeted subvertical veins, extending from the base of the west-dipping Youle orebody. With a dedicated drill drive much of the 2023 Shepherd drilling had been conducted from this drive, resulting in the modelling of 12 veins. Notably, a significant additional high-grade gold and antimony domain had been identified along the trend to the south. Drilling below Brunswick delivered positive results, with two intercepts uncovering a new domain displaying substantial gold endowment. While the results from the initial campaign were encouraging, the Company temporarily paused the step-out drilling program. This decision allowed Mandalay time to define the faulted architecture and update our targeting model for the upcoming phase.

On November 8, Mandalay announced that Nick Dwyer, Chief Financial Officer, would be leaving the Corporation in the first quarter of 2024 as a result of his decision to resign and relocate to Australia for personal reasons.

## 2024

On February 6, Mandalay announced that Hashim Ahmed had been hired as its new Executive Vice President and Chief Financial Officer (CFO), effective March 1, 2024.

On February 22, Mandalay announced an updated Mineral Reserves and Resources estimate for Costerfield and an Interim Mineral Reserve update for Björkdal mine as at December 31, 2023. The net decrease of 123,384 ounces of gold in Proven and Probable Mineral Reserves at Costerfield for year end 2023, relative to year end 2021, consisted of the addition of 13,124 ounces of gold added by Mineral Resource conversion and addition of Mineral Resources to the Shepherd ore body as well as a total of 136,508 ounces of gold depleted from the December 31, 2021 Mineral Reserves through mining production in 2022-2023 and through mining re-evaluation. Owing to the longevity of the Björkdal mine and consistency of Mineral Resources replacement, Mandalay chose not to complete and report a full 2023-year-end Mineral Resources and Mineral Reserves estimate reported in Q1 2024.

On February 23, Mandalay announced that the TSX had approved its application to make a Normal Course Issuer Bid ("NCIB") to acquire up to 4,646,196 of its common shares in the 12-month period commencing February 27, 2024, and ending on February 26, 2025.

On April 24, Mandalay announced that it expanded the Storheden gold deposit, 600 metres from the Björkdal mine, to over 1.6 kilometres ("**km**") and approximately 200 m at depth, confirming high-grade gold mineralization. In 2023, a 5,150 m drill program across 22 holes identified strong geological similarities to Björkdal.

On May 14, Mandalay announced an exciting extension within the Eastern Prospect – the Norrberget deposit, located 6 km east of Björkdal, by 120 m down-plunge, confirming high-grade gold mineralization, including 13.3 g/t over 5.55 m. Drilling at the nearby Vidmyran target identified sheeted gold-bearing veining, with notable intercepts of 17.2 g/t over 1.3 m.

On June 5, Mandalay announced successful results from its regional target testing drill campaigns approximately 6 km to the southwest of the Björkdal Mine. Mandalay advanced its regional exploration at Björkdal, focusing on the Northern, Eastern, and Southwestern Prospects. The latest drilling in the Southwestern Prospect, 5 km from the historic Boliden deposit, identified promising gold mineralization at Lapptjärn (5.3 g/t over 7.05 m), Granholm (14.9 g/t over 0.5 m), and Tarsnäs (gold with anomalous zinc and copper).

On August 30, Mandalay announced that Braam Jonker had resigned, as a director to focus on other endeavours. Amy Freedman assumed the role of Lead Independent Director and the Board commenced a search for a new Independent Director.

On September 10, Mandalay announced an update on drilling progress at its Costerfield operation in Victoria, Australia. In 2024, the Company focused on near-mine targets to extend mine life. Drilling near Youle and Shepherd identified high-grade pods that were expected to be added to production. High-grade veins below the Cuffley deposit showed potential for mine extension, while drilling at Cuffley North intersected a high-grade vein, indicating further expansion opportunities in the Augusta and Brunswick deposits.

On October 15, Mandalay announced the appointment of John Jentz as an independent director.

On December 18, Mandalay announced an update on near mine exploration success at its Björkdal operation in Sweden, highlighting the discovery of North Zone Below Marble – a new underground mineral domain 200 m north of the current operations. Björkdal's near-mine exploration focused on higher-margin resources. The newly discovered North Zone Below Marble, located 200 m north of the underground mine, exhibited high-grade veining similar to the Main Zone and remained open at depth and along strike. Infill drilling in the Eastern Extension of the Main Zone confirmed consistent veining and gold mineralization, with further extensions expected as mining advances. In the Aurora Zone, exploration identified wide gold-bearing veins at depth and to the east, reinforcing its potential for long-term bulk tonnage production.

## 2025

On January 28, Mandalay announced high-grade drill results at its True Blue prospect adjacent to the operating Costerfield gold-antimony mine. Mandalay produced gold and antimony at Costerfield for 15 years and identified True Blue as a promising new frontier. Exploration revealed geological similarities to the mined Central Corridor, with high-grade mineralization, visible gold, and stibnite veins extending 130

m along strike and 590 m down-dip. Stepout drilling 600 m south uncovered a 250 m mineralized zone with assays up to 3.8 g/t gold, highlighting continuity and scale. Mandalay allocated at least \$9 million for exploration in early 2025, with an extensive drilling program initiated to further define True Blue's potential and extend mine life.

One February 20, Mandalay announced updated Mineral Reserves and Resources for Costerfield and Björkdal as at December 31, 2024. Costerfield saw substantial reserve replacement with total Mineral Reserves of 604,000 tonnes at 8.7 g/t gold and 1.8% antimony (254,000 gold equivalent ounces), while the True Blue deposit's Inferred Resources grew fourfold, with 145,000 tonnes at 13.1 g/t gold and 3.1% antimony (96,000 gold equivalent ounces), reinforcing its mineable potential. Björkdal's mine life was extended to 10 years with the addition of 125,600 gold ounces at \$33 per ounce, more than doubling 2024 depletion, while exploration success at Storheden and Norrberget increased Inferred Resources to 11.7 million tonnes containing 564,000 gold ounces, strengthening future production potential.

## 5.2 Significant Acquisitions

The Corporation made no acquisitions during the year ended December 31, 2024.

## 6. DESCRIPTION OF THE BUSINESS

## 6.1 General Description

Mandalay is a Canadian-based natural resource company with producing assets in Australia (Costerfield gold-antimony mine) and Sweden (Björkdal gold mine).

Mandalay's vision is to build a recognized and respected mid-tier gold producer that generates attractive financial returns, synchronous with ensuring the well-being of all stakeholders.

Mandalay is focused on three strategic pillars to deliver the vision: cashflow from production, organic exploration and mergers and acquisitions. Mandalay is committed to operating safely and in an environmentally responsible manner, while developing a high level of community and employee engagement. Mandalay has generated a pipeline of exploration targets near-mine, to extend mine-life and regionally to create longer term growth.

The Corporation also believes there are merger and acquisition opportunities to grow and diversify cashflow. Inorganic growth is focused Tier 1 or 2 jurisdictions and on commodities in which management has extensive experience, such as gold ("Au"), silver ("Ag"), antimony ("Sb"), and other base metals such as copper ("Cu").

The Corporation currently operates and has interests in countries that have a long-standing tradition of mining, low political risk and clear legal frameworks for tenure and taxation. Today, these jurisdictions include Australia and Sweden.

## 6.2 Material Properties

Mandalay currently owns 100% interests in two material producing assets – Costerfield, Australia (producing Au and Sb) and Björkdal, Sweden (producing Au). Costerfield was acquired December 2009 and Björkdal was acquired as an operating mine by the Corporation September 2014.

#### 6.3 Employees and Contractors

As at January 1, 2025, the Corporation had a total of 491 employees and 124 contractors, as further described in the chart below.

|             | Employees | Contractors | Total |
|-------------|-----------|-------------|-------|
| Corporate   | 8         | 3           | 11    |
| Björkdal    | 247       | 79          | 326   |
| Costerfield | 236       | 42          | 278   |
| Total       | 491       | 124         | 615   |

## 6.4 Mineral Project – Björkdal

Information referenced in this section referring to the Björkdal property is based on the Björkdal Technical Report.

#### **Property Location**

The Björkdal property, containing both the Björkdal mine and the Storheden and Norrberget deposits, is located in Västerbotten County in northern Sweden, at approximately 20°35′26″ E longitude and 64°56′7″ N latitude (WGS84). Björkdal is located approximately 28 km northwest of the municipality of Skellefteå and approximately 750 km north of Stockholm. The Björkdal property is accessible via Swedish national road 95 or European highway route E4 followed by all-weather paved roads.

The Norrberget deposit is located approximately four km east of the Björkdal mine and is currently accessible via a forest road.

## Ownership

Mandalay holds 100% of Björkdal through the Swedish registered companies Björkdalsgruvan AB and Björkdal Exploration AB.

## **Granted Tenement Details**

Björkdalsgruvan AB owns twelve mining concessions on the Björkdal property and one mining concession on the Norrberget property. A thirteenth concession, Norrliden K nr 1, is held by Explor Björkdalsgruvan AB. The total area of the mining concessions is approximately 453.23 ha. There are eighteen exploration permits, seventeen of which are owned by Björkdalsgruvan AB and one by Explor Björkdalsgruvan AB. The following tables shows permit status as of March 28, 2025.

## **Mining Concessions**

| Permit Name           | Area (ha) | Expiry Date       |
|-----------------------|-----------|-------------------|
| Häbbersfors K nr 1    | 98.69     | January 1, 2031   |
| Häbbersfors K nr 2    | 34.88     | February 2, 2035  |
| Häbbersfors K nr 3    | 18.89     | April 29, 2027    |
| Häbbersfors K nr 4    | 5.00      | November 21, 2025 |
| Häbbersfors K nr 5    | 21.83     | March 6, 2034     |
| Häbbersfors K nr 6    | 23.49     | April 24, 2038    |
| Häbbersfors K nr 7    | 32.11     | January 17, 2042  |
| Nylund K nr 1         | 73.47     | January 30, 2043  |
| Storheden K nr 1      | 61.27     | November 8, 2043  |
| Kvarnforsliden K nr 1 | 6.74      | March 9, 2046     |
| Kvarnforsliden K nr 2 | 33.09     | July 12, 2048     |
| Kvarnforsliden K nr 3 | 55.89     | February 13, 2050 |
| Norrberget K nr 1     | 25.28     | January 25, 2044  |
| Norrliden K nr 1*     | 18.51     | January 1, 2032   |
| Total                 | 509.14    |                   |

\* Permit held by Explor Björkdalsgruvan AB

## **Exploration Concessions**

| Permit Name                  | Area (ha)       | Expiry Date       |
|------------------------------|-----------------|-------------------|
| Aspliden                     | 1,787.32        | February 8, 2027  |
| Björkdal nr 28               | 39.53           | October 14, 2025  |
| Björkdal nr 29               | 1,073.89        | November 30, 2027 |
| Björkdal nr 31               | 449.1           | November 7, 2026  |
| Björkdal nr 33               | 1,409.35        | October 19, 2025  |
| Björkdal nr 34               | 2,520.16        | November 9, 2025  |
| Björkdal nr 35               | 135.43          | October 17, 2026  |
| Björkdal nr 36               | 670.4           | April 10, 2027    |
| Björkdal nr 37               | 378.45          | August 28, 2027   |
| Björkdal nr 39               | 978.45          | November 5, 2026  |
| Björkdal nr 40               | 967.36          | September 1, 2027 |
| Björkdal nr 41               | 62.73           | April 27, 2026    |
| Klöverfors                   | 1,603.51        | August 15, 2027   |
| Lillträsket nr 3             | 246.59          | October 17, 2026  |
| Olofsberg nr 102             | 42.79           | June 4, 2025      |
| Sandfors nr 101              | 3,267.82        | June 9, 2027      |
| Sandliden                    | 3,568.37        | April 17, 2027    |
| Vidmyran nr 100 <sup>2</sup> | 1,197.50        | March 10, 2025    |
| Total                        | 20,398.75990.59 |                   |

1. Permit held by Explor Björkdalsgruvan AB

## Permitting

No changes have occurred to the operations in the last year that have required new permits or amendments to permits. All operations are fully permitted in accordance with Swedish environmental legislation. The mining of the Norrberget deposit is yet to be permitted. The only additional approval received in the period was a new mining concession Kvarnforsliden K nr 3.

The current environmental permit (M 771-17) was granted in December 2018 and remains valid for a period of ten years from that date for the TMF (dam and related water discharge), and until October 5 2067 for all other aspects of the operations. The environmental permit allows for mining and mill throughput of up to 1.7 Mtpa. The permit also allows for the continued disposal of waste rock up to a total of 91 Mt with a final height of +205.5 metres above sea level, and the handling of tailings in existing and expanded tailings dams to a maximum of 47 Mt of tailings.

A building permit (M 2945-19), for the K1 Dam was granted in May 2020, with a change permit granted in July 2021. The change permit effectively replaces the building permit. The change permit application also covers the extension of the underground mine. In November 2019, Björkdal applied for designated land with the Mine inspector in support of the construction of the K1 Dam. This was approved on 4 February 2021. In March 2024, Björkdal applied for designated land with the Mine inspector, land used as parking, offices, roads and ditches. The application was approved in November 2024.

Under the existing long-term water-use permit, Björkdal is permitted to use the Kåge River as a water source for the processing plant, with the allowed limit being 50 L/s (180 m<sup>3</sup>/h). On average Björkdal withdraws approximately 50% of the maximum permitted amount of raw water. The plant uses approximately 220 m<sup>3</sup>/h and more than half of this is recycled from the TMF. Water used at the Mine site for purposes other than the processing plant is sourced from a local bore hole. A list of current permits is presented in the table below.

| Permits     | Valid from Date  | Valid to Date                        | Туре                        |
|-------------|------------------|--------------------------------------|-----------------------------|
| M 771-17    | December 3, 2018 | October 5, 2028 for TSF              | Environmental Permit        |
|             |                  | October 5, 2067 for other operations |                             |
| M 2945-19   | July 15, 2021    | October 5, 2067                      | Change permit (including    |
|             |                  |                                      | building permit for Dam K1, |
|             |                  |                                      | changes in management of    |
|             |                  |                                      | tailings, extension of the  |
|             |                  |                                      | underground mine and        |
|             |                  |                                      | changes in management of    |
|             |                  |                                      | water operations)           |
| VD DVA 9/87 | May 26, 1987     | No expiry date                       | Water-use Permit            |

## Mandalay Resources – Björkdal Gold Mine Permits

#### **Royalties**

The holder of an exploitation concession must pay an annual minerals fee to the landowners of the concession area and to the State. The fee is 0.2% of the average value of the minerals mined from the concession, 0.15% of which is paid to the landowners in proportion to their share of ownership of the concession area. The remaining 0.05% is paid to the State to be used for research and development in the field of sustainable development of mineral resources. The fee is estimated after consideration of the

amount of mined ore, the amount of minerals in the ore, and the average price of the mineral during the year or by use of an equivalent value.

## **Environmental Liabilities**

Mine closure and reclamation plans are submitted and approved as an Annex to the Environmental Permit. The approved plan provides an overview of reclamation requirements that follow the July 2004 European Commission guidelines for Best Available Practice for the management of tailings and waste rock in mining activities.

The 2018 environmental permit included an updated closure and reclamation plan. As required, this plan was updated and submitted during autumn 2021. Thereafter, an update is required every five years or earlier if necessary. A final detailed remediation and closure plan must be submitted to the authority in good time before the activity ceases.

The 2021 updated closure and reclamation plan shows that, during the remainder of the mine life, the reclamation costs will increase. In response to this, by no later than 1 January 2025, additional financial security of SEK 4.75 million must be submitted to the Swedish authorities, bringing the financial security to a total of \$5.17 million (SEK 48.1 million). The additional financial security was paid on 22<sup>nd</sup> October 2024 and approved by the Environmental Court on 20<sup>th</sup> of December 2024, therefore, the condition has been fulfilled.

#### Local Resources and Infrastructure

#### Power

The power supply for the site is provided by Skellefteå Kraft AB. The electricity is sourced from low-cost hydro power and is delivered to Björkdal via the Swedish power grid.

## Water

Water for the process plant is supplied from two sources. During 2024, two submersible pumps located at the Kåge River supplied approximately 805,500 m<sup>3</sup> of raw water to the plant water tanks via two pipelines. Existing water rights allow Björkdal to withdraw up to 50 L/s, equivalent to 180 m<sup>3</sup>/h and 1.58 million m<sup>3</sup>/yr.

A second pump station located at the Tails Management Facility (TMF) recycles cleared water to the processing plant. During 2024, approximately 1,134,000 m<sup>3</sup> (58%) of the process water was recycled from the tailings system with the remaining 42% being drawn from the Kåge River. This means that less water is discharged from the tailings system and less fresh make-up water is required.

At present, the mine is diverting water from the underground and open pit mines to the TMF. During 2024, a total of 1,346,000 m<sup>3</sup> of water was pumped from the underground and open pit mines.

#### Buildings and Facilities

The Björkdal mine site hosts extensive surface and underground infrastructure, including the following:

- Well-kept gravel site roads,
- An administrative building consisting of office space, conference rooms and kitchen facilities,

- Barrack modules with office space for contactors, changing rooms and mine dry mess,
- An open pit with ramp access to the underground operations,
- Raw ore stockpile facility containing a number of 5,000 tonne to 25,000 tonne capacity raw ore stockpiles,
- Primary jaw crushing facility with 400 tonne coarse ore stockpile,
- Secondary crushing facility,
- 5,000 tonne fine ore stockpile and reclaim facility,
- 4,000 tpd mill, gravity gold plant, and flotation plant,
- An internal metallurgical assay laboratory,
- Company and contractor maintenance facilities,
- A core logging facility with covered storage, sample preparation laboratory, and grade control assay laboratory,
- 250 ha Tails Management Facility (TMF),
- Fresh water supply and storage,
- Water treatment plant,
- Explosive magazine and mixing facilities,
- Storage facilities for chemical reagents and bulk supplies,
- An off-site covered core storage facility,
- Swedish grid electrical power.

## Tailings and Waste Rock Storage Area

The waste rock from open pit mining and low-grade ore stockpiles currently amounts to more than 51 Mt. An additional moraine stockpile amounts to more than one million tonnes.

Previous characterization studies conducted have shown that waste rock contains very low levels of heavy metals and sulphur and concluded that the waste should be considered inert.

There are currently two active waste dump areas: the North and South waste dumps. Under the new operating permit application, the capacity of the waste rock dumps has been expanded to 91 Mt. This capacity is sufficient to cover the needs of the current mine life.

## Björkdal Site Infrastructure Layout



The Tailings Management Facility (TMF) is located in an area of gently undulating relief approximately 1.5 km north of the processing plant and comprises three separate zones: the Western Area, the Central sand cone, and the Eastern Area. The Eastern Area consists of the Eastern Barrier dam, K1 dam and the K2 dam.

Expansion of the western area of the TMF was approved under the latest environmental operating permit that was received in December 2018 and which remains valid for a period of ten years. The southern section of the Western Barrier Dam was raised by 1.2 m during the summer of 2022, which provided sufficient tailings capacity until K1 dam was completed in November 2023. The remaining tailings capacity in the western area is estimated to last six months; however, no tailings are deposited in this area currently.

The raising of the K1 Dam is being carried out in two stages. The Stage 1 raise, initiated during 2020, was completed in November 2023. Stage 2 is scheduled to be completed during 2026. At the planned plant throughput of 1.4 Mtpa, this will provide sufficient tailings storage capacity up to and including 2030.

The Company is investigating the possibility of backfilling tailings into the inactive open pits to avoid additional TMF expansions between 2030 and the life of mine (currently 2035).

TMF expansions have been designed by the independent consultants, Tailings Consultants Scandinavia (TCS) and the construction have been carried out by PEAB Anläggning AB.

## Accessibility

The Björkdal property is located approximately 40 km by road northwest of the municipality of Skellefteå (population of nearly 76,000) and is accessible via Swedish national route 95 or European highway route E4, followed by all-weather paved roads. The Norrberget deposit is located approximately 4 km east of the Björkdal mine and is accessible via a forest road.

At the Björkdal property, gravel roads connect the main site gate to the surface infrastructure. Gravity concentrate is transported by a security company vehicle from Björkdal to Hamburg, while both middling and Knelson concentrates are also trucked to Hamburg. Sulphide flotation concentrate is transported by truck to the Boliden smelter at Rönnskär. The nearest airport, located in Skellefteå, offers daily flights to Stockholm.

#### Climate

This area of Sweden has a subarctic climate with mild summers and cold snowy winters. The climate is, however, moderated by its proximity to the Gulf Stream, so that while winters are cold, they are much less so than winters at similar latitudes in other parts of the world. The average low temperature for January is -14°C. The short summers are also reasonably warm for latitudes near the Arctic Circle. The average daily high temperature in July is 19°C, although, in recent years, temperatures above 30°C have been recorded.

Yearly precipitation is low at less than 600 mm, with August being the wettest month at over 71 mm. Precipitation is quite low near the coast, but snow may lie on the ground for up to five months. Due to its high latitude, July is typified by an average of 21 hours of daylight while the average for December is four. Climatic conditions do not affect Björkdal's or Norrberget's exploration activities, and the Mine and processing operations are able to operate throughout the year.

#### Topography and Vegetation

The mine is located at an average elevation of 140 m above sea level. The terrain around Björkdal is relatively subdued with low hills and numerous shallow lakes. Glacial till forms the main soil cover over the area. The vegetation around Björkdal is dominated by managed forests of spruce and birch with some areas of cultivated land.

## **Geology and Mineralization**

#### Regional Geology

The Skellefteå region consists of Paleoproterozoic-aged rocks that host several world-class volcanogenic massive sulphide copper, zinc, and lead deposits that have been worked on for nearly a century. The Skellefteå district lies within a large and ancient cratonic block named the Fennoscandian shield. The Fennoscandian shield spans much of Finland and northwestern Russia, extending further westward throughout Sweden and Norway.

Mineralization in the Skellefteå region is focused within and around a regionally extensive, west- to northwest-trending structural feature named the Skellefteå belt. The Skellefteå belt is 120 km long and 30 km wide and consists of deformed and metamorphosed volcanic, sedimentary, and igneous rocks that are all Paleoproterozoic in age. Deformation and metamorphism are attributed to the Paleoproterozoic-

aged Svecokarelian orogeny that occurred around 1.88-1.8 Ga. Metamorphism associated with the Svecokarelian orogeny and ranges in intensity from greenschist to amphibolite facies.

#### **Björkdal Property Geology**

Mandalay interprets the Geology of Björkdal to exhibit a variable and complex alteration signature that overprints many different rock-types including pyroclastic, volcano-sedimentary, tuffaceous, extrusive-volcanic (andesitic to basaltic compositions), sub-volcanic intrusive (andesitic compositions), and sedimentary (silici-clastics, shales and carbonates) lithologies. Common alteration and metasomatic styles include silicification, carbonatization, calc-silicate (actinolite) alteration, albitization, chloritization, potassic (biotite and K-feldspar), epidotization, pyritization, tourmalinization. Various skarn-type alteration assemblages were also noted in areas where a calcareous host rock is present (including actinolite, tremolite, pyroxene, and minor garnet).



#### Local Geology

#### Mineralization

#### Björkdal

The Björkdal gold deposit is a lode-style, sheeted vein deposit hosted within the upper portions of the Skellefte Group sediments. To date, the deposit has been outlined along a strike length of approximately 1,900 m, across a width of approximately 3,500 m, and from surface to a depth of approximately 900 m. Gold is found within quartz veins that range in thickness from less than a centimetre to more than several decimetres. These veins are usually observed with vertical to sub-vertical dips and strike orientations

between azimuth 000° and azimuth 090°, with the majority of veins striking between azimuth 030° and 060° (true north). Veining is locally structurally complex, with many cross-veining features observed and thin mineralized quartz veinlets in the wall rocks proximal to the main quartz veins.

Gold-rich quartz veins are most often associated with the presence of minor quantities of sulphide minerals such as pyrite, pyrrhotite, marcasite, and chalcopyrite. Associated non-sulphide minerals include actinolite, tourmaline, and biotite. Scheelite and bismuth-telluride compounds (i.e., tellurobismuthite and tsumoite) are also commonly found within the gold-rich quartz veins and are both excellent indicators of gold mineralization.

Gold occurs dominantly as free gold, however, gold mineralization is also associated with bismuthtelluride minerals, electrum, and pyroxenes. Silver is seen as a minor by-product of the Björkdal processing plant, however, very little is known about its deportment within the deposit, although it is assumed to be associated with electrum in the mineralization.

## Skarn mineralization

Skarnification is common in the Mine, mainly affecting the limestone/marble unit, where it forms patches and lenses typically 200-400 m along strike, 100-200 m down dip, and up to 10 m thick. Similar alteration occurs in sheared volcanoclastic rocks, with textures ranging from mottled to completely overprinted. Skarnified rock is classified into prograde and retrograde phases: prograde skarn is light green, rich in clinopyroxene and amphiboles, while retrograde skarn is darker, finer-grained, and less altered. Shearing facilitates skarnification by allowing fluid infiltration, particularly where faults intersect the limestone/marble unit, enabling calc-silicification. Structural interactions influence alteration intensity and gold mineralization, with higher-grade prograde skarn forming where multiple structures intersect.

## Norrberget

Gold mineralization at Norrberget is strataform within altered volcaniclastic rocks beneath a 30-40 m thick marble unit, extending up to 50 m below the contact. It is mainly hosted in amphibole-albite banded alteration and interbedded crystalline tuff, with bands ranging from 1 cm to 50 cm thick, typically sheared and containing trace sulphides and minor quartz/carbonate. Gold also occurs in amphibole veinlets within mafic crystalline tuff and, to a lesser extent, in silicified volcaniclastics. Although veining is common, gold is rarely associated with quartz veins, except for certain grey fractured quartz veins containing amphibole, carbonate, silver, and sulphides. Three mineralized domains comprise the Mineral Resources. The largest domain extends approximately 400 m in an east-west strike length and has been traced by surface-based diamond drill holes to a depth of approximately 175 m beneath the surface.

#### Storheden

The Storheden deposit is located approximately 600 m to the northeast of the easternmost limit of the Björkdal mine. It is comprised of a series of narrow sheeted quartz veins similar in style to those at the Björkdal mine that have been identified by drilling for a distance of approximately 1,000 m in an east-west direction, 1,200 m in a north-south direction, and to a depth of approximately 450 m beneath the surface.

#### History

The Björkdal deposit was originally discovered in 1983 by Terra Mining AB (**"Terra Mining"**) by a till sampling program which returned anomalous gold values. Anomalous bedrock values were obtained in 1985 and definition drilling began in early 1986.

Definition drilling was coincident with metallurgical test work and positive feasibility studies were completed in May 1987. Terra Mining commenced mining operations at Björkdal in July 1988. In 1996, Terra Mining was purchased by William Resource Ltd. (**"William"**). William continued to operate the mine until the end of June 1999, when it was petitioned into bankruptcy. The assets were bought through public auction in June 2001 by International Gold Exploration, which operated the mine from September 2001 until 2003, when it was acquired by Minmet plc (**"Minmet"**).

In 2006, Gold-Ore Resources Ltd. (**"Gold-Ore"**) acquired an option from Minmet to purchase the holding corporation for the mine. On December 31, 2007, Gold-Ore exercised its option and acquired all the shares of Björkdalsgruvan AB. During exploration and development of Björkdal, Gold-Ore generated cash flow from gold sales which commenced on a full scale in mid-2008. In January 2009, Gold-Ore's management concluded that there were sufficient mineral reserves and resources at Björkdal for at least a five-year mine life and declared commercial production.

In May 2012, Elgin acquired all of the issued and outstanding common shares of Gold-Ore. Gold-Ore's common shares were delisted from the TSX and Elgin graduated from a TSX Venture listed Corporation to a TSX listed Corporation.

On June 4, 2014, Mandalay announced that it had entered into an arrangement agreement pursuant to which Mandalay would acquire all the outstanding common shares of Elgin. The transaction was completed on September 10, 2014.

#### Exploration

For the period of September 2014 to September 2024, Mandalay completed a total of approximately 370,222 m of diamond-core drilling from underground stations at the mine.

The drilling completed in 2024 focused on delineating the strike and dip limits of the Aurora Zone, defining the northern extent of mineralization, and confirming the relatively higher-grade mineralization at depth along the mine's eastern flank. Additionally, a new domain, the North Zone below the marble, also referred to as the Grenholm Zone, was discovered, leading 2024 exploration efforts to concentrate on defining its mineralization.

The drilling programs were successful in extending the known limits of the Aurora Zone, and for outlining the limits of the relatively higher grade mineralization, at depth, along the Mine's eastern flank. Drilling north of the Mine has identified auriferous veining approximately 300 m from the Aurora Zone, both above and below the marble horizon. The mineralization potential beyond the limits of the drilling completed to-date has not been evaluated.

For the period of January 2015 to December 2024, Mandalay has drilled a total of approximately 44,503 m of exploration diamond-core drilling and 102,209 m of exploration RC drilling from surface-based setups at the Mine. Similar to the underground exploration strategy, the surface drilling was prioritized around the margins of the current open pit mine in order to estimate Inferred and Indicated Mineral Resources in the near-mine environment and for grade control purposes. The majority of this drilling took place in the vicinity of the Quartz-Mountain, East Pit, and Nylund areas. In 2019-20 surface drilling was focused on the extension of the West Pit Skarn and the up-dip extension of Aurora, in 2023 and 2024 drilling was focused on depth extension of the Storheden deposit, Quartz Mountain and Nylunds.

The Storheden deposit is located roughly 600 metres to the northeast of the Björkdal mine. Mineralisation was first identified in the area from "top of bedrock" geochemical drilling in 1987. Subsequently,

percussion drilling has been undertaken on the target delineating an extensive mineral system, however the active mine (Björkdal) has been the focus for exploration efforts leaving Storheden underexplored. In 2017 confirmation drilling and modelling undertaken by Mandalay lead to the granting of a mining concession in 2018 encompassing the confirmed mineralized zone. In 2023, a total of 5,149 m diamondcore drilling was completed. This drilling campaign aimed to and was successful in confirming historical intercepts and testing the down dip/along strike extension of the identified mineralisation. In 2024, a total of 6,598 metres of diamond core drilling was completed, confirming the ore system's depth extension and supporting the reporting of inferred resources.

The Norrberget area was extensively drilled by COGEMA between 1994 and 1996, but interest declined under subsequent owners. After Gold-Ore acquired the area in 2007, sporadic drilling efforts did not lead to significant discoveries. Following Mandalay's acquisition of Elgin, re-logging and re-assaying of existing core revived interest, leading to a 2,542 m diamond-core drilling program in 2016 that confirmed historical results and extended mineralization. In 2017, a 1,400 m RC drill program further extended the resource, leading to a mining concession in 2019. In 2023, 2,077 m of diamond drilling successfully demonstrated the continuation of mineralization at depth, and in 2024, 1,627 metres of drilling confirmed further northern and depth extensions.

Between 2015 and 2016, geophysical surveys and reinterpretation of existing magnetic and electric data were conducted to identify mineralized systems within the Björkdal exploration area. These surveys, integrated with geochemical and structural data, helped prioritize targets for systematic testing. In 2016 and 2017, ground magnetic surveys, till sampling, and detailed outcrop mapping expanded, with 75 till and 65 outcrop samples collected each year to refine the understanding of gold-bearing potential.

Exploration continued in 2018 with two small-scale ground magnetic surveys, along with additional outcrop mapping and sampling. In 2019, an airborne magnetic survey was completed over the entire tenement package in collaboration with Boliden AB, providing key structural insights. The following year, 1,160 metres of drilling targeted areas identified from airborne magnetics, supported by extensive mapping and sampling.

In 2021, a Base of Till (BOT) drilling campaign was carried out, totaling 1,415 metres across three targets, with data incorporated into the regional geological model.

In 2022, exploration intensified with 6,480 metres of diamond drilling and 2,460 metres of BOT drilling, focusing on high-priority areas identified through historical data and geophysical surveys. A small-scale ground magnetic survey was also conducted to refine exploration models.

During 2023, a total of 2,830 m of diamond drilling was completed following up promising results from drilling completed in 2022. In addition to the diamond drilling, a small-scale Induced Polarization & Resistivity Survey was completed across an anomaly identified from the 2022 ground magnetic survey.

In 2024, a total of 8,231 metres of diamond drilling was completed on two targets identified during the 2022–23 exploration program. Additionally, 1,674 metres of Base of Till drilling were conducted across two targets—one approximately 22 km northwest of the mine and the other one km to the north. Beyond drilling, a small-scale (7 km<sup>2</sup>) ground magnetic survey was carried out in a highly prospective area 22 km northwest of the mine.

Several promising regional targets have been identified through detailed desktop studies, field mapping, and sampling. In 2025, the focus will shift to drilling high-priority targets located within five km of the mine. A modest diamond drilling campaign is planned from spring to autumn.

There is strong potential for further discoveries in the Björkdal area. Current deposit models, developed and tested by Mandalay geologists, are proving successful, and a significant portion of the company's land holdings remains either unexplored or underexplored.

## Drilling – Björkdal

The data cut-off date for the year-end 2024 Mineral Resources and Reserves estimate was September 30, 2024, and incorporated drill hole and channel sampling information collected by Mandalay.

| Year | Drill Hole Type  | Underground           |               | Оре                   | en Pit        |
|------|------------------|-----------------------|---------------|-----------------------|---------------|
|      |                  | No. of<br>Drill Holes | Metres<br>(m) | No. of<br>Drill Holes | Metres<br>(m) |
|      | Core (In-fill)   | 19                    | 1,614         | -                     | -             |
| 2014 | RC               | -                     | -             | 65                    | 2,103         |
|      | Core             | 12                    | 3,302         | 5                     | 632           |
|      | Core (In-fill)   | 150                   | 11,880        | -                     | -             |
| 2015 | RC               | -                     | -             | 439                   | 13,959        |
| 2015 | Core             | 58                    | 14,151        | 56                    | 9,145         |
|      | Storheden - Core | -                     | -             | 2                     | 302           |
|      | Core (In-fill)   | 280                   | 32,252        | -                     | -             |
| 2016 | RC               | -                     | -             | 556                   | 28,436        |
| 2016 | Core             | -                     | -             | 13                    | 4,087         |
|      | Storheden - Core | -                     | -             | 3                     | 2,046         |
|      | Core (In-fill)   | 211                   | 23,839        | -                     | -             |
|      | RC               | -                     | -             | 596                   | 24,924        |
| 2017 | Core             | -                     | -             | 13                    | 2,377         |
|      | Storheden - Core | -                     | -             | 1                     | 90            |
|      | Storheden - RC   | -                     | -             | 12                    | 1,408         |
|      | Core (In-fill)   | 211                   | 24,309        | -                     | -             |
| 2010 | RC               | -                     | -             | 621                   | 22,138        |
| 2018 | Core             | 43                    | 9,995         | 36                    | 5,904         |
|      | Storheden - Core | -                     | -             | 1                     | 160           |
|      | Core (In-fill)   | 143                   | 17,823        | -                     | -             |
| 2019 | RC               | -                     | -             | 194                   | 10,649        |
|      | Core             | 36                    | 9,089         | 7                     | 1,125         |
| 2020 | Core (In-fill)   | 223                   | 26,263        | -                     | -             |
| 2020 | Core             | 41                    | 14,156        | 8                     | 1,243         |
| 2024 | Core (In-fill)   | 250                   | 27,151        | -                     | -             |
| 2021 | Core             | 64                    | 23,815        | -                     | -             |
| 2022 | Core (In-fill)   | 184                   | 27,892        | -                     | -             |
| 2022 | Core             | 49                    | 24,797        | 16                    | 2660          |

Summary of Drilling at Björkdal Completed by Mandalay Resources from 2014 to 2024

| Year  | Drill Hole Type  | Underground           |               | Ope                   | en Pit        |
|-------|------------------|-----------------------|---------------|-----------------------|---------------|
|       |                  | No. of<br>Drill Holes | Metres<br>(m) | No. of<br>Drill Holes | Metres<br>(m) |
| 2023  | Core             | 250                   | 49,670        | 9                     | 1,577         |
|       | Storheden - Core | -                     | -             | 22                    | 5,149         |
| 2024  | Core             | 147                   | 28,224        | -                     | -             |
|       | Storheden - Core | -                     | -             | 14                    | 6,598         |
| Total |                  | 2,371                 | 370,222       | 2,689                 | 146,712       |

The focus of the drilling completed in 2023 was to continue to outline the strike and dip limits of the Aurora Zone, to define the limits of mineralization observed to the North of Aurora and confirm the relatively higher-grade mineralisation, at depth, along the mines eastern flank.

The drilling programs were successful in outlining the limits of the relatively higher-grade mineralisation, at depth, along the mines eastern flank. Drilling towards the North of the mine has greatly improved our understanding of the vein morphology and mineralization in the area.



#### 2023 and 2024 Drill Hole Location Map – Björkdal and Storheden

#### **Drilling Procedure**

#### **Diamond Drilling**

All underground exploration drilling since September 2014 has been conducted with wireline diamondcore drilling methods by experienced Swedish drilling contractors Protek Norr AB, Styrud Arctic AB and Drillcon Scandinavia AB. Drilling has been carried out with dedicated underground exploration drill rigs in the Hagby series WL66 and WL76 sizes (50.5 mm and 57.5 mm diametre core, respectively). All drill holes are surveyed with modern computerized gyroscopic tools at hole completion, while also being regularly check-surveyed for unexpected deviation as the drilling progresses using modern multi-shot "camera" downhole tools. Core orientation tools are used on all holes for geologists to measure the orientation of all geological structures identified. Contractors work two shifts per day (ten-hour shift), seven days per week and average approximately 1,000 m per month.

Surface exploration since September 2014 has been carried out with wireline diamond-core drilling methods by experienced Swedish and Finnish drilling contractors Styrud Arctic AB, Protek Norr AB, Kati OY, Arctic Drilling Company OY, and Northdrill Oy, and experienced international drilling operator Mason & St John, who is based in the UK. Various drilling equipment sizes have been used depending on project needs and are as follows: WL66 (50.5 mm core diametre), NQ2 (50.7 mm core diametre), and WL76 (57.5 mm core diametre). All drill holes are surveyed with modern computerized gyroscopic tools at hole completion, while also being regularly check-surveyed for unexpected deviation as the drilling progresses using modern multi-shot "camera" downhole tools. Core orientation tools are used on all holes in order for geologists to measure the orientation of all geological structures identified. Contractors work two shifts per day (12-hour shift), seven days per week, and average approximately 1,200 m per month. Drill holes that are collared in unconsolidated materials (i.e., soil and till) are cased with traditional methods with either Boart Longyear or Hagby series casing rods and bits.

Due to the degree of silicification and alteration of the deposit and regional geology, rock quality is generally excellent, reflected in core recovery values that are generally in excess of 95%.

Production optimizing drilling ("**POD**") and development optimizing drilling ("**DOD**") holes are primarily drilled with Mandalay-owned and operated drill rigs and drilling staff. Starting in 2013, infill underground diamond drilling programs using WL46 drill string (28.8 mm diametre core) were implemented, the rig has been decommissioned as of May 2018. In March 2016, an Atlas Copco model Diamec U4 data rig was purchased and in April 2020, an Epiroc Diamec U6 data rig was purchased. The rigs are operated by three drillers working single shifts using a WL56/39 drill string (39.0 mm diametre core). They work seven days a week, producing 27 m per shift. During 2021, a fourth shift was added to the U4 rig. These rigs are primarily used for development optimization.

All drilling is designed and supervised by Mandalay/Björkdalsgruvan geologists. Drill hole layouts are designed with the aid of the GEOVIA Surpac 3D software.

Drill core is transported to Mandalay's core logging facilities located within the mine area for processing. The core is examined by trained geologists who prepare a descriptive log of the alteration, structure, and mineralization that may have been encountered by the drillhole. The information is entered directly to computer files at the core shack and subsequently uploaded to the master drillhole database.

Logging of drill core has been carried out according to Mandalay's Standard Operating Procedure. Logging geologists examine the drill core and mark off any lengths of the core judged to hold potential for hosting

significant quantities of gold mineralization. The locations of the sample intervals, along with the sample identification numbers are entered into the computer log of the drillhole and subsequently uploaded to the master drillhole database. The drill core is then photographed by geological technicians before samples of the core are selected for assaying using the entire drill core.

## Sampling and Analysis

Samples from Björkdal and Norrberget are prepared and analyzed at CRS Laboratories Oy (CRS), an independent laboratory located in Kempele, Finland and with a subsidiary laboratory on-site at Björkdal. CRS is currently certified according to the International Organisation for Standardisation (ISO) ISO9001:2008 standard and accredited by FINAS Finnish Accreditation Service, ISO 17025:2017 (T342) standard, and is independent of Mandalay. Samples are also analyzed by ALS Minerals, an ISO accredited commercial laboratory located in Piteå, Sweden, which is independent of Mandalay. The ALS laboratory is accredited by SWEDAC for several analytical methods (reg nr 2030) and compliant with international standard ISO 17025.

Whole core samples and RC samples are sent directly to the laboratories for sample preparation and assaying. Assaying is conducted utilizing the PAL1000 test machine and the LeachWell process. Quality assurance and quality control (QA/QC) systems include the use of certified reference material (CRM) standards, blanks, duplicates, repeats, and internal laboratory quality assurance procedures employed by the assaying laboratory. It is understood by Björkdal personnel that the PAL method reports the cyanide soluble portion of gold within a sample. Checks have been conducted on residue material remaining after PAL assaying to confirm the completeness of the digestion stage and the transfer of gold to solution. The checks typically demonstrate that Björkdal mineralized material behaves well with this method and returns residue values of between 0.6 to 1% of the reported gold assay value.

Underground chip and sludge samples are collected by geological technicians and delivered directly to the on-site laboratory. The on-site laboratory, which utilises a PAL1000 unit, was established in June 2016 and was run by Minlab AB, a subsidiary of CRS, until April 2018. From May 2018 to April 2020 the on-site laboratory was run by ALS Minerals. Since May 2020, the on-site laboratory has been run by Minlab AB.

Underground sludge samples have been submitted to the site laboratory for analysis for production purposes, however these assay results have not been used in the Mineral Resource Estimation.

## **Data Verification**

SLR completed a site visit on November 8 to 9, 2022 during which visits were made to several underground locations in order to observe the nature of the host rocks, the style of the mineralization, and the structural complexity of the mineralization in several locations. Visits were also made at the on-site core shack and adjoining analytical laboratory to examine and discuss the core logging and sampling procedures as well as to discuss the analytical procedures used to determine the gold values. A general tour of the site was carried out in order to observe the major infrastructure items. SLR personnel also visited the processing plant.

As part of the Mineral Resource estimation workflow, SLR carried out a program of validating the assay tables in the drill hole databases by means of spot checking a selection of drill holes completed in 2023 and 2024. SLR proceeded to carry out its drill hole database validation exercise by comparing the information contained within the assay tables of the digital database against the assays presented in the original laboratory certificates. A total of 10 drill holes were examined. No material discrepancies were

noted. The SLR QP has visited the mine several times in the past and has personally carried out spot checks on the pre-2023 data as well.

Additional checks included a comparison of the drill hole collar locations with the digital models of the topographic surfaces and excavation models as well as a visual inspection of the downhole survey information.

The QP is of the opinion that the Björkdal drill hole and chip sample data are adequate for the purposes of Mineral Resource estimation.

No check samples were taken by the SLR geologist to independently confirm the presence of gold mineralization, as the site has a long history of gold production, and the presence of gold was directly observed during the visit to the processing plant.

#### Security of Samples

The Mine site has not experienced any major security issues. Access to the mine area, which is fenced, is restricted to authorized personnel that have received the Standard Solution Group ("**SSG**") general safety training course, the SSG Björkdal local training course, and have been given access to pass through the gates with their personal key card.

Björkdal drill and mine samples, as well as Norrberget exploration samples, are transported from the site to the Björkdal on-site core logging and sample preparation facility, which is located within a secure area. All diamond drill core is logged into laptop versions of the Datashed drill hole database system. The standalone logging laptop computers are typically backed up on a daily basis. The Datashed database is located on the Björkdal server, with daily backups and access restrictions based on user level.

Only persons permitted by Björkdal are allowed to handle the samples.

Commercial freight companies are used to transport the samples to the appropriate independent sampling and assaying laboratories. Sample shipment lists are emailed to the assay laboratory.

## Quality Assurance and Quality Control ("QA/QC")

No QA/QC data is available for historical drilling prior to 2004. RC drilling for grade control purposes carried out from 2006 to 2013 and assayed at ALS did not include any QA/QC insertions into the sample stream. From 2013 to 2014, standard and blank samples were inserted into the sample stream with one blank and one standard sample inserted per RC drill hole.

Following Mandalay's acquisition of the Mine in 2014, the QA/QC protocols were updated to include the regular insertion of blanks and multiple standards within each 20-sample batch. A blank sample was also inserted after every sample containing visible gold.

The following review of the QA/QC sample results includes:

- Regional exploration drilling data
- Underground and near-mine surface Exploration drilling data
- Grade control data from 2015 and January to December 2024

| Year | Blanks | Standards | Other | Total |
|------|--------|-----------|-------|-------|
| 2015 | 114    | 538       | -     | 652   |
| 2016 | 1,832  | 2,456     | 233   | 4,521 |
| 2017 | 1,936  | 2,525     | 222   | 4,683 |
| 2018 | 1,992  | 2,724     | 243   | 4,959 |
| 2019 | 2,392  | 2,348     | 167   | 4,907 |
| 2020 | 3,263  | 3,149     | -     | 6,412 |
| 2021 | 3,234  | 3,337     | -     | 6,571 |
| 2022 | 2,971  | 2,825     | 302   | 6,098 |
| 2023 | 2,716  | 2,788     | 189   | 5,693 |
| 2024 | 2,239  | 2,010     | 153   | 4,393 |

#### Summary of the QA/QC samples taken from 2015 to 2024

Mandalay manages the results of the QA/QC program by compiling all of the results from the blank samples and CRMs into an Excel spreadsheet where the grades of the sample in question are compared to the second and third standard deviation results.

Starting in 2016, control charts are also prepared by the laboratory on a routine basis during the normal course reporting of the analytical results from the PAL assays. As the PAL process reports the recovered portion of the gold within any given sample, a comparison of the PAL results with the stated recommended value of a CRM is not valid. Rather, the control charts for the CRMs are slightly modified to report and compare the cyanide-leachable portion of a CRM to the stated value of the certified standard. The results from the blank samples are graphically presented using conventional scatter plots. SLR examined the results of the CRM and blank samples processed in 2024 and found that over the course of 2023 and 2024 the QA/QC program has produced acceptable results, with the failure rate, as measured using a three standard deviation threshold, being less than 5% for the blank and standard reference materials. No material issues were identified.

## **Mineral Resources and Reserves**

## Björkdal

Since the 2014 Mineral Resource and Reserve estimate, Mandalay has been carrying out drilling programs in both the open pit and underground mines. From September 30, 2022, to the data cut-off of September 30, 2024, Björkdal completed 123 drill holes totalling approximately 46,760 m in length. In addition to this, a large data contribution was available from POD and DOD drilling totalling 49,810 m, which was completed in line with underground mine development. In addition, underground operations completed 10,775 m of on-vein development, which was mapped and sampled in detail. This new drill hole information was used in conjunction with the chip sample information to prepare an update of the Mineral Resource estimate.

Mandalay has generated wireframe models of the mineralized veins at Björkdal. Modelling has been completed in both Surpac and Leapfrog Geo software. Surpac wireframes have been created using sectional interpretation over a minimum of 2.5 m. Leapfrog wireframes have been generated using the vein tool over a minimum of two metres. Those wireframes found mostly in the mined pit have been generated using a threshold of 0.3 g/t Au while those mined underground have been generated using a threshold of 0.5 g/t Au.

Separate cut-off grades were developed for reporting of the underground and open pit Mineral Resources.

Mineral Resources were estimated at a cut-off grade of 0.17 g/t gold for the potential open-pit portion of the Resource, and 0.71 g/t gold for the portion of the Resource that is potentially mineable by underground methods. These cut-offs were determined using Björkdal's 2024 production costs, using a gold price of \$2,500/oz and an exchange rate of 10.35 SEK/\$.

At a cut-off grade of 0.71 g/t Au, the Measured and Indicated Mineral Resources potentially mineable by underground methods at the Björkdal mine and exclusive of stockpile material are estimated to comprise 14.89 million tonnes at an average grade of 2.42 g/t Au containing approximately 1,160,000 oz Au, and an Inferred Mineral Resource of 4.95 million tonnes at an average grade of 1.98 g/t Au containing approximately 315,000 oz Au.

At a cut-off grade of 0.17 g/t Au, the Indicated Mineral Resources potentially mineable by open pit methods at Björkdal are estimated to comprise 4.13 million tonnes at an average grade of 1.61 g/t Au containing approximately 213,000 oz Au, and an Inferred Mineral Resource of 6.67 million tonnes at an average grade of 1.09 g/t Au containing approximately 233,000 oz Au.

The definitions for resource categories used in the Björkdal Technical Report are consistent with CIM (2014) definitions incorporated by reference in NI 43-101, and the 2019 CIM Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines.

In respect of the block model for the veins in the underground mine, all blocks that were located within a mineralization wireframe whose grades were estimated in either the first or second estimation passes were assigned a preliminary classification of Indicated Mineral Resources. Those blocks whose grades were estimated in the third estimation pass were assigned a preliminary classification of Inferred Mineral Resources. No Measured Mineral Resources were assigned.

Similarly, with respect to the block model for the open pit mine, all blocks that were located within a mineralization wireframe whose grades were estimated in the first estimation pass were assigned a preliminary classification of Indicated Mineral Resources. Those blocks whose grades were estimated in the second estimation pass were assigned a preliminary classification of Inferred Mineral Resources. No Measured Mineral Resources were assigned.

The initial classifications within both the underground and open pit mines were reviewed and manually adjusted so as to ensure that the material in the Indicated category possessed spatial continuity that was defined by at least two drill holes.

A small volume of material contained within the Aurora vein and other well-known veins was upgraded into the Measured category. The criteria defined for this category included material that was outlined by the presence of chip sample data, and within 20 m vertically of a level development excavation.

## Norrberget

SLR reviewed data for Norrberget and prepared Mineral Resource estimates using a drill hole database with a cut-off date of September 30, 2024. The Mineral Resource estimate has an effective date of December 31, 2024.

Mandalay has generated wireframe models of the mineralized three mineralized domains for Norrberget that reflected packages of mineralized and altered material above a 0.4 g/t Au cut-off that was a minimum of 2.5 m in width.

SLR reviewed the Norrberget data and capped the grades to ensure that sporadic high-grade values were not overrepresented. A 24 g/t Au capping value was applied. The capped samples were flagged by the mineralized domain wireframes and the intercepts were composited on a 1.0 m length between the wireframe boundaries, with a minimum residual of 0.5 m.

A block model that encompassed the mineralization wireframes and sufficient waste to constrain the resource within a pit was generated. Au grades were interpolated into the mineralized blocks using ID3. A total of three interpolation passes were carried out to estimate the grades in the block model.

Cut-off grades were developed using the January to September 2024 actual cost information from Björkdal along with an Au price of \$2,500 per ounce. The cut-off grade for reporting of Mineral Resources for Norrberget was determined to be 0.27 g/t Au.

SLR classified the Mineral Resources as Indicated and Inferred based on drill hole spacing, grade continuity, and reliability of data.

At a cut-off grade of 0.27 g/t Au, the Norrberget Mineral Resources comprise 221,000 t at an average grade of 2.76 g/t Au containing approximately 20,000 oz of Au in the Indicated Mineral Resource category and 96,000 t at an average grade of 5.36 g/t Au containing approximately 17,000 oz of Au in the Inferred Mineral Resource category. Mineral Resources were estimated within an open pit constraining surface.

The Mineral Resource estimates, as shown in the table below, are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

| Location                       | Area                        | Tonnage<br>(kt) | Grade<br>(g/t Au) | Contained Au<br>(koz) |  |  |  |
|--------------------------------|-----------------------------|-----------------|-------------------|-----------------------|--|--|--|
| Measured Mineral Resources     |                             |                 |                   |                       |  |  |  |
| Björkdal                       | Underground                 | 1,097           | 2.57              | 91                    |  |  |  |
|                                | Indicated Mineral Resources |                 |                   |                       |  |  |  |
| Björkdal                       | Open Pit                    | 4,130           | 1.61              | 213                   |  |  |  |
|                                | Björkdal Underground        | 13,792          | 2.41              | 1,069                 |  |  |  |
|                                | Stockpile                   | 1,520           | 0.59              | 29                    |  |  |  |
| Subtotal, Björkdal             |                             | 19,442          | 2.10              | 1,311                 |  |  |  |
| Norrberget                     | Open Pit                    | 221             | 2.76              | 20                    |  |  |  |
| Total: Measured +<br>Indicated |                             | 20,760          | 2.13              | 1,422                 |  |  |  |
| Inferred Mineral Resources     |                             |                 |                   |                       |  |  |  |
| Björkdal                       | Open Pit                    | 6,666           | 1.09              | 233                   |  |  |  |
|                                | Björkdal Underground        | 3,178           | 2.11              | 216                   |  |  |  |

# Mineral Resources at the Björkdal Mine, Storheden and Norrberget Deposit as of December 31, 2024, inclusive of Mineral Reserves

| Location           | Area                  | Tonnage<br>(kt) | Grade<br>(g/t Au) | Contained Au<br>(koz) |
|--------------------|-----------------------|-----------------|-------------------|-----------------------|
|                    | Storheden Underground | 1,769           | 1.74              | 99                    |
| Subtotal, Björkdal |                       | 11,613          | 1.47              | 548                   |
| Norrberget         | Open Pit              | 96              | 5.36              | 17                    |
| Total, Inferred    |                       | 11,709          | 1.50              | 565                   |

1. Björkdal Mineral Resources are estimated using drill hole and sample data as of 30 September 2024 and account for production to 31 December 2024.

2. Norrberget Mineral Resources are estimated based on a data cut-off date of 30 September 2024.

3. CIM (2014) definitions and the 2019 CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines were followed for Mineral Resources (CIM 2019).

- 4. Mineral Resources are inclusive of Mineral Reserves.
- 5. Mineral Resources are estimated using an average gold price of US\$2,500/oz and an exchange rate of 10.35 SEK/US\$.
- 6. High gold assays were capped to 30 g/t Au for the Björkdal open pit mine.
- 7. High gold assays for the underground mine were capped at 60 g/t Au for the first search pass and 40 g/t Au for subsequent passes.
- 8. High gold assays at Norrberget were capped at 24 g/t Au.
- 9. Interpolation was by inverse distance cubed (ID3) utilizing diamond drill, reverse circulation, and chip channel samples.
- 10. Open pit Mineral Resources are constrained by open pit shells and estimated at a cut-off grade of 0.17 g/t Au for Björkdal and 0.27 g/t Au for Norrberget.
- 11. Underground Mineral Resources are estimated at a cut-off grade of 0.71 g/t Au.
- 12. A nominal 2.5 m minimum mining width was used to interpret veins.
- 13. Reported Mineral Resources are depleted for previously mined underground development and stopes and exclude remnant material.
- 14. Stockpile Mineral Resources are based upon surveyed volumes supplemented by production data.
- 15. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- 16. Numbers may not add due to rounding.
- 17. The Independent Qualified Person for the Björkdal, including Storheden, and Norrberget Mineral Resource estimates is Reno Pressacco, M.Sc.(A)., P.Geo., Associate Principal Geologist with SLR, who is a Qualified Person as defined by NI 43-101.

The Mineral Reserves estimated by SLR with an effective date of December 31, 2024, are listed in the table below.

The Mineral Reserve estimate for Björkdal is 13.5 million tonnes at a grade of 1.26 g/t Au, for a total of 549,000 oz contained Au. The Mineral Reserve estimate for Norrberget is 161,000 t at a grade of 2.72 g/t Au, for a total of 14,000 oz contained Au.

| Location                  | Area        | Tonnage<br>(kt)         | Grade<br>(g/t Au) | Contained Au<br>(koz) |  |
|---------------------------|-------------|-------------------------|-------------------|-----------------------|--|
|                           |             | Proven Mineral Reserves |                   |                       |  |
| Björkdal                  | Underground | 956                     | 1.53              | 47                    |  |
| Total Proven              |             | 956                     | 1.53              | 47                    |  |
| Probable Mineral Reserves |             |                         |                   |                       |  |
| Björkdal                  | Underground | 5,721                   | 1.59              | 293                   |  |
| Björkdal                  | Open Pit    | 5,325                   | 1.05              | 180                   |  |
| Norrberget                | Open Pit    | 161                     | 2.72              | 14                    |  |
| Stockpiles                | Stockpiles  | 1,520                   | 0.59              | 29                    |  |
| Total Probable            |             | 12,727                  | 1.26              | 516                   |  |

#### Mineral Reserves at Björkdal and Norrberget Deposit as of Dec 31, 2024

| Location                | Area | Tonnage<br>(kt) | Grade<br>(g/t Au) | Contained Au<br>(koz) |
|-------------------------|------|-----------------|-------------------|-----------------------|
| Total Proven & Probable |      | 13,683          | 1.28              | 563                   |

1. Björkdal Mineral Reserves are estimated using drill hole and sample data as of 30 September 2024 and depleted for production through 31 December 2024.

2. Norrberget Mineral Reserves are based on a data cut-off date of 30 September 2024.

3. CIM definitions (2014) were followed for Mineral Reserves.

- 4. Open Pit Mineral Reserves for Björkdal are based on mine designs carried out on an updated resource model, applying a block dilution of 100% at 0.0 g/t Au for blocks above 1.0 g/t and 100% at in situ grade for blocks below 1.0 g/t but above a cut-off grade of 0.2 g/t Au. The application of these block dilution factors is based on historical reconciliation data from 2018 and 2019. A marginal cut-off grade of 0.2 g/t Au was applied to estimate open pit Mineral Reserves.
- 5. Open Pit Mineral Reserves for Norrberget are based on 25% dilution at 0.0 g/t Au and a cut-off grade of 0.32 g/t Au.
- 6. Underground Mineral Reserves are based on mine designs carried out on the updated resource model. Minimum mining widths of 3.1 m for stopes (after dilution) and 4.6 m for development (after dilution) were used. Stope dilution was applied by adding 0.25 m on each side of stopes as well as an additional 25% sidewall over break dilution. Dilution factors of 20% for ore drives and 10% for capital development were applied to the development design widths. Mining extraction was assessed at 95% for contained ounces within stopes and 100% for development. A cut-off grade of 0.85 g/t Au was applied to material mined within stopes. An incremental cut-off grade of 0.2 g/t Au was used for development material.

7. Stockpile Mineral Reserves are based upon surveyed volumes supplemented by production data as of 31 December 2024.

- 8. Mineral Reserves are estimated using an average long-term gold price of US\$2,100/oz for Björkdal and Norrberget, and an exchange rate of 10.35 SEK/US\$.
- 9. Tonnes and contained gold are rounded to the nearest thousand.
- 10. Totals may not sum due to rounding.
- 11. The Independent Qualified Person for the Björkdal Mineral Reserve estimate is Rick Taylor, MAusIMM (CP), Associate Principal Mining Engineer with SLR, who is a Qualified Person as defined by NI 43-101.

#### **Mining Operations**

#### Underground – Björkdal

Measured and Indicated Mineral Resource blocks above 0.7 g/t Au formed the basis for initial stope designs generated using Auto Stope Designer in Deswik. Designs were reviewed and refined manually, incorporating economic evaluations based on stope grade, size, and proximity to existing infrastructure. A cut-off grade of 0.85 g/t Au was applied, and uneconomic stopes were excluded. The current long-term designs do not incorporate localized geotechnical and geological considerations including detailed knowledge of hangingwall and footwall contacts, fault zones, and structural features such as folding.

Cut-off grades were calculated based on activity type and account for dilution and losses. A marginal cutoff grade of 0.85 g/t Au was used for stopes, and 0.2 g/t Au for development, reflecting the limited costs associated with processing material already mined for access. The Deswik Pseudoflow algorithm was used for stope optimisation in three stages, with all development costs incorporated into the cut-off grade calculations.

Grade capping and tonnage factoring were selectively applied based on reconciliation data. In welldeveloped areas with limited discovery potential, grades were capped at 2.0 g/t for stopes and 2.2 g/t for on-vein development. In contrast, areas with high discovery potential saw factoring applied to reduce grades and increase tonnes, maintaining overall ounce estimates. These adjustments reflect historical trends of discovering additional veins during mining.

The underground mining method used at Björkdal is longhole stoping with a sub-level spacing of 15 m to 20 m, depending on the zone. Crosscuts are established perpendicular to the vein system. Veins are then developed by drifting on each sub-level from the crosscut. All pre-production vein, crosscut, and ramp development is drilled and blasted using conventional trackless mining equipment.

Stoping blocks are drilled with approximately 15 m long, 70 mm diametre up-holes connecting to the bottom of the overlying stope using Epiroc Simba drill rigs. When production drilling has been completed, initial slot raises are developed, and drill lines blasted in groups of three to five rings using a burden of 1.5 m and retreating towards the hanging-wall. The material is removed between blasts, which allows a void for each successive blast. Remotely operated scoops are used to muck the stopes to nearby rehandle areas or directly into trucks.

In consideration of the variable vein geometry and existing equipment configuration, 2.5 m has been applied as the average minimum mining width. This includes a base 2.0 m minimum width plus an allowance for 0.25 m of overbreak on both the hanging wall and footwall sides of the stope. An additional 25% dilution is added based on historical reconciliation data. This results in an overall planned diluted mining width of 3.1 m.

Mining recovery rate of 95% was applied to stopes. Reconciliation of 2024 production showed that forecasted models underestimated tonnes and ounces by 10% and 19%, respectively.

Most of the mined-out stopes are backfilled with unconsolidated fill. Only special and blind stopes under sill pillars are left open without any backfill. The Aurora Zone contains stopes that are wider, longer, and higher than in other areas.

A prefeasibility study to determine the mining method of the Aurora zone was completed by Itasca Consultants AB (Itasca) in 2019, which recommended a mining method, stope and pillar dimensions, as well as future support. Rill (or Avoca) mining with unconsolidated fill was determined to be the most costeffective option. SLR considers these recommendations to be appropriate. The Avoca mining method has required a revised mining sequence and waste back filling. Neither of these is considered to be risky or onerous. All stopes blocks are mined from the bottom up with sill pillars left between main levels.



## Björkdal Underground Mine Layout showing annual mining sequence

## Open Pit – Björkdal

The open pit has currently been halted and is planned to be restarted in 2027, however this could be delayed further in the event of additional underground reserves being identified. The planned method is standard truck and shovel mining, as done historically. Details will be redefined closer to the restart date.

## **Mineral Processing**

The mineral processing plant at Björkdal commenced operation in 1989. Since that time, it has processed approximately 39.1 Mt of ore from open pit and underground sources and produced approximately 1.66 million ounces of gold (Moz Au).

Björkdal has been consistently successful in recovering approximately 88% of the gold, with approximately 68% to 75% of the gold recovered in gravity concentrates (i.e., gravity concentrate, middlings, and Knelson concentrate) and an additional 14% to 20% of the gold recovered in flotation concentrates.

The concentrator includes primary, secondary, and tertiary crushing, primary and secondary grinding, a series of gravity concentration steps, regrinding, and flotation to produce three gravity concentrates and a flotation concentrate.

## Markets

Björkdal produces four salable products: a gravity concentrate, a middlings concentrate, a Knelson concentrate and a flotation concentrate. Björkdal has concentrate sales agreements with Aurubis Ag in Germany and Boliden Commercial AB in Sweden. The terms and conditions of commercial sale are not disclosed pursuant to confidentiality requirements.

## Contracts

Other contracts that exist with the mine, and suppliers, include those for:

- Renfors AB: responsible for the haulage to the surface of all underground mined material and haulage from low-grade stockpiles to crusher.
- Skellefteåbränslen AB: Supplies diesel and gas to site.
- Blasting: EPC Sverige AB for the supply of emulsion explosives and blast hole loading for underground.
- Byggbetong AB: Shotcrete for underground.
- Skellefteå Kraft: Electrical power supply.
- Sandvik Mining & constructions Sverige Ab, Epiroc SWEDEN Ab: Spare parts for mining equipment.
- Rexel/Selga: Supply of electrical components and cables.
- Exploration Diamond Drilling: Contracted on an as-needed basis.
- Minlab AB laboratory service on-site.
- Veidekke Entreprenad AB: Contracted for part of development, production drilling and cable bolting works.
- Sherpas AB: IT infrastructure management.
- Variety of leased mining equipment.

## Environmental

The mine started operations in 1988 before modern environmental permitting regulations were in place. Prior to start-up, the operator was required to apply for water permits only based on a simple mine planning assessment. The first formal environmental impact assessment (EIA) was completed in 2009 in support of the mine's first environmental permit. The latest EIA was completed in 2019, included the extension of the underground mine. An addendum to this report was completed in 2021 to account for the changes to tailings facility design.

An annual environmental report is submitted at the end of March to the authorities in Sweden for approval. The report summarises compliance to the terms stated in the environmental permits and water usage permit.

The Mine has low sulphide content and, as a result, no acid rock drainage (ARD) potential exists. Gold is recovered by mechanical and gravity processes with no use of cyanide. There are no harmful elements associated with the mine tailings and the tailings have been declared non-toxic by the authorities. Previous characterization studies conducted have shown that waste rock from open pit and underground mining contains very low levels of heavy metals and sulphur and have concluded that the waste should be considered inert.

Water quality is monitored on a regular basis at eight strategically placed monitoring stations. The Upper Lillträsk Creek, Upper Kåge River, and Upper Vidmyr Creek stations are located upstream of the mining area and provide reference water quality data; one station on the mine property monitors discharge quality from the TMF (PP2); and four additional stations, located in Lillträsk Creek, Lower Lillträsk Creek, Kåge River, and Lower Röjmyr Creek, monitor changes in the receiving watershed.

Sampling is performed by certified samplers and the protocol includes analyses for a suite of twenty-two metals; pH; temperature; ammonium-nitrogen, phosphates, and phosphorus; nitrogen, nitrates, and nitrites; oil and total suspended solids (TSS).

Historically, Björkdal reported that the discharge water quality from both the mine water management system (PP1) and the TMF (PP2) exceeded permissible levels for nitrates and TSS. Elevated levels of phosphorus and phosphates were also noted at PP1.

Since 2018, and following several studies conducted by the Mine to establish the cause of the elevated levels, all mine discharge water has been discharged to the TMF through PP2, and PP1 removed from the control and monitoring system. Mine discharge water is no longer released from PP1. This change has been approved by the environmental court and is anticipated to resolve all issues with elevated nitrites and TSS.

While ongoing measures are being implemented to continually reduce levels, Björkdal's long-term solution is the raising of the K1 Dam which will support degradation of nitrogen due to longer residence time and dilution. The raising of the K1 Dam was approved during 2021 (Permit No. M2945-19) and the first raise was completed construction programme is currently underway.

During 2022, elevated levels of nitrites/nitrates were noted in the tailings discharge-off water. The concentrations in the water rise and fall seasonally and peaks during the winter falling off again in the spring when the thaw dilutes the water. As a results, an action plan including ongoing monitoring of concentrations was put in place to rectify the situation. During 2023, based on the remedial actions taken

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(including absorbent booms on the TMF), levels of nitrites/nitrates were lower than the previous year, and all target conditions were achieved in 2024.

The updated 2019 Environmental Impact Assessment (EIA), included the extension of the underground mine; no significant impacts were identified during the EIA process.

Taxes

The Corporation's profit is subject to a corporate tax at a flat rate of 20.6% applying since January 1, 2021.

#### Capital Costs

Björkdal is an on-going operation with the necessary facilities, equipment, and manpower in place to produce gold. The basis for the Life of mine ("LOM") plan is the Proven and Probable Mineral Reserve estimate outlined in Section 15 of the Björkdal Technical Report. The majority of the capital cost estimates are based on quantities generated from the open pit and underground development requirements and data provided by Björkdal.

The LOM and cost estimates has been reviewed in sufficient detail to be satisfied that economic extraction of these Proven and Probable Mineral Reserves is justified.

|--|

| Description                     | Value<br>(US\$000) |  |
|---------------------------------|--------------------|--|
| Sustaining Capital Fixed Assets | 81,400             |  |
| Capital Development Underground | 61,000             |  |
| Pre-Strip Open Pit              | 81,100             |  |
| Sustaining Exploration          | 700                |  |
| Total Sustaining Capital        | 224,200            |  |
| Growth Capital                  | 2,000              |  |
| Total LOM Capital Expenditure   | 226,200            |  |

#### **Operating Costs**

Detailed and all-inclusive operating cost records are maintained by Mandalay for the Björkdal Mine operations that provide an excellent basis for the estimate of future operating costs. Mandalay produced a cash flow estimate based on the budgeted costs for 2025. This estimate was checked against 2023 to 2024 actual costs provided by Mandalay. The majority of operating costs at Björkdal are expended in Swedish Kronor. All costs have been converted to US dollars using exchange rate assumptions of 10.35 SEK/US\$.

#### **Björkdal LOM Operating Costs**

| Description           | LOM       | Annual Average | Unit Cost          |
|-----------------------|-----------|----------------|--------------------|
|                       | (US\$000) | (US\$000)      | (US\$/t processed) |
| Mining and Rehandling | 283,030   | 27,613         | 20.68              |

| Processing           | 126,160 | 12,308 | 9.22  |
|----------------------|---------|--------|-------|
| G&A                  | 114,800 | 11,200 | 8.39  |
| Total Operating Cost | 523,990 | 51,121 | 38.29 |

The LOM has been prepared on the basis that all planned mining activities can be carried out using the existing Björkdal personnel. It is assumed that current/recent contract prices will remain unchanged for mining activities performed by a contractor such as open pit mining and underground rock haulage.

Cost inputs have been priced in real Q4 2024 dollars, without any allowance for inflation or consideration to changes in foreign exchange rates.

## **Exploration and Development**

For 2025, Mandalay's primary focus will be on exploration in the Björkdal underground extension. The main objective is to expand the new mineralization domain, the North Zone below the Marble, through extension and conversion drilling. Capital development will advance north of the known mineralization near the Aurora Zone, at the same time ramp development will continue in the Main, Central, and Lake Zone areas, following their depth and eastern extensions.

In 2025, near mine exploration will be focused on extending deeper the mineralized package in Storheden.

The Björkdal property includes an extensive exploration tenement holding around the current operation that is prospective for additional Björkdal Au and VMS style deposits. Exploration work conducted from 2022 to 2024 has identified several promising targets. Results from these programs are currently under review and being prioritised for further evaluation.

In 2025, regional exploration will focus primarily on geological mapping and till sampling within the newly acquired exploration permits to the north of the mine.

This proposed workplan and budget is similar to those of previous years and will allow the development of additional regional targets in close proximity to the current operations.

#### 6.5 Mineral Project – Costerfield

Information referenced in this section referring to the Costerfield Property is based on the Costerfield Technical Report.

#### **Property Location**

The Costerfield Operation (The Property) is located within the Costerfield mining district of Central Victoria, Australia, approximately 10 km northeast of the town of Heathcote and 50 km east of the city of Bendigo.

The Property encompasses the underground infrastructure supporting the Augusta, Cuffley, Brunswick, Youle and Shepherd deposits; The Augusta Mine Site (Augusta), the Brunswick Processing Plant; Splitters Creek Evaporation Facility; Brunswick and Bombay Tailings Storage Facilities (TSF) and associated infrastructure.
The Augusta Mine ("**Augusta**") is located at latitude of 36°52′27″ south and longitude 144 47′38″ east. The Cuffley Deposit is located approximately 500 m north-northwest of the Augusta workings. The Brunswick Deposit is located approximately 1.4 km north-northwest of the Augusta workings and 680 m north-northwest of the Cuffley Deposit. The Youle Deposit is located north of the Augusta workings and Cuffley Deposits approximately 2.2 km and 1.6 km respectively. The Shepherd Deposit is located vertically below the Youle Deposit. The Brunswick Processing Plant is located approximately 2 km northwest of the Augusta Mine.

The deposits are accessed via the decline at Brunswick and Augusta. Ore haulage to the ROM takes place through the Brunswick portal, which opened in November 2020.

# Ownership

Mandalay Costerfield holds a 100% interest in licences MIN4644, MIN5567, EL3310, EL5432, EL5519, EL006842, EL006847 and EL008320. On December 3<sup>rd</sup>, 2024, Mining Licence (MIN5567) was renewed for a further 10 years and remains granted until the February 21<sup>st</sup>, 2033.

On September 15<sup>th</sup>, 2020, RLA007485 was lodged with DEECA (Department of Energy, Environment and Climate Action) to retain the licence area that was held on the expired tenement, EL3310, with the exception for an area of National Park that will be excised on any granting of the new licence. As part of the Retention licence application, Mandalay Costerfield applied for a s16A of the MRSDA (Mineral Resources Sustainable Development Act 1990) to allow work to continue until such time that the Retention Licence application has been determined.

In January 2025, Mandalay Costerfield and the TLaWC (Taungurung Land and Water Council) signed an agreement which complies with the provisions of section 51 of the TOSA (Traditional Owner Settlement Act 2010 (Vic)) and Schedule 3 of the Taungurung Land Use Activity Agreement. The DEECA (Department of Energy, Environment and Climate Action) are yet to make a final decision on the grant of RLA007485.

Tenure information for the two Mining Licences ("**ML**"), five Exploration Licences ("**EL**"), one expired Exploration License ("**EXEL**") and one Retention Licence under application ("**RLA**") which cover Costerfield are detailed in table below:

| Licence | Name               | Status  | Company                 | Area*              | Grant Date | Expiry Date      |
|---------|--------------------|---------|-------------------------|--------------------|------------|------------------|
| MIN4644 | Costerfield        | Granted | AGD                     | 1,219.3<br>ha      | 25/02/1986 | 30/06/2026       |
| MIN5567 | Splitters<br>Creek | Granted | Mandalay<br>Costerfield | 30.0 ha            | 20/02/2013 | 21/02/2033       |
| EL3310  | Costerfield        | Expired | AGD                     | 59.0<br>graticules | 17/09/1993 | 17/09/2020       |
|         |                    |         |                         |                    |            | Retention        |
|         |                    |         |                         |                    |            | Licence          |
|         |                    |         |                         |                    |            | (RLA007485)      |
|         |                    |         |                         |                    |            | application over |
|         |                    |         |                         |                    |            | the area.        |
| EL5432  | Peels              | Granted | AGD                     | 2.0                | 23/08/2012 | 22/08/2027       |
|         | Track              |         |                         | graticules         |            |                  |

# **Costerfield Granted Tenement Details**

| EL5519    | Antimony    | Granted           | Mandalay    | 4.0        | 28/05/2015 | 27/05/2028 |
|-----------|-------------|-------------------|-------------|------------|------------|------------|
|           | Creek       |                   | Costerfield | graticules |            |            |
|           | South       |                   |             |            |            |            |
| EL006842  | Costerfield | Granted           | Mandalay    | 29.0       | 29/09/2022 | 28/09/2027 |
|           | West        |                   | Costerfield | graticules |            |            |
|           |             |                   |             |            |            |            |
| EL006847  | Costerfield | Granted           | Mandalay    | 35.0       | 29/09/2022 | 28/09/2027 |
|           | East        |                   | Costerfield | graticules |            |            |
|           |             |                   |             |            |            |            |
| EL008320  | Costerfield | Granted           | Mandalay    | 3.0        | 11/10/2023 | 10/10/2028 |
|           |             |                   | Costerfield | graticules |            |            |
| RLA007485 | Costerfield | Under Application | Mandalay    | 3,174.0    | Submitted  | Pending    |
|           |             | (covers expired   | Costerfield | ha         | 15/09/2020 | approval   |
|           |             | EL3310 area)      |             |            |            |            |

\*1 graticule is equivalent to 1 km<sup>2</sup>

The mining licenses cover all current mining activity.

#### Permitting

Primary approval for the operation of Costerfield is held through Mining License MIN4644. In December 2017, this license was renewed for 10 years (until June 30, 2026).

#### **Royalties**

Royalties apply to the production of antimony and gold and are payable to the Victorian State Government through the Department of Energy, Environment and Climate Action ("**DEECA**"). The royalty is applied at a rate of 2.75% on the revenue realised from the sale of antimony and gold produced, less the selling costs. However, there is a royalty exemption on the first 2,500 oz of gold produced each year.

There are no royalty agreements in place with previous owners.

Additional royalties are payable to the Victorian State Government through the DEECA at a rate of AUD\$0.87/t if waste rock or tailings is sold or provided to any third parties, since they are deemed to be quarry products.

#### **Environmental Liabilities**

Costerfield is currently in compliance with all permits and authorizations.

In December 2024, a bond review was completed, and the value of the rehabilitation policy increased by AUD\$1,456,000 to a total of AUD\$10.93 million for both ML's MIN4644 and MIN5567. The increased bond of AUD\$1.46 million is due to be paid in March 2025, while the remaining AUD\$9.48 million has been fully funded.

There are six further AUD\$10,000 bonds held by the DEECA, five for Exploration licences EL3310, EL5432, EL5519, EL006842 and EL006847 and one by Vic Roads for licences where pipelines cross roads.

The rehabilitation bond for MIN5567, the lease on which the Splitters Creek Evaporation Facility has been constructed, was calculated in October 2018 and AUD\$748,000 set aside.

The total bond for MIN4464, the lease where the Augusta mine site and Brunswick Processing Plant is situated, is AUD\$10.18 million. This bond has increased during the latest bond review due to the approval of a workplan variation for the addition of a new tailings dam.

Rehabilitation is being undertaken progressively at the Costerfield Operation, with the environmental bond only being reduced when rehabilitation of an area or site has been deemed successful by DEECA. This rehabilitation bond is based on the assumption that all rehabilitation is undertaken by an independent third party. Therefore, various project management and equipment mobilisation costs are incorporated into the rehabilitation bond liability calculation. In practice, rehabilitation costs may be less if Mandalay chooses to use internal resources to complete the rehabilitation.

Other than the rehabilitation bond, which is fully funded, the project is not subject to any other environmental liabilities. Table below presents the breakdown of the liability costs from the recent bond review.

| Area  | AUD\$        |
|---|--------------|
| Total Rehabilitation Liability – Augusta Mine Site (MIN4644)                    | \$10,183,000 |
| Total Rehabilitation Liability – Splitters Creek Evaporation Facility (MIN5567) | \$748,000    |
| Total Rehabilitation Liability – Mandalay Costerfield                           | \$10,931,000 |

# Total liability rehabilitation bond calculations, 2025

# Local Resources and Infrastructure

#### Power Supply

The Costerfield Property has a current agreement with Powercor Australia for a 3.227 MVA supply, which is required to be maintained at a power factor of not less than 0.95. There is a single point of connect from the distribution network which is connected at the Augusta Mine site to Substation 1. All site power requirements are supplied via this location, including the underground operations and the Brunswick Processing Plant. The site also has a 750 KVAR power factor correction bank.

In addition, the Costerfield Property has just under 1 MVA of diesel power generation which can be automatically synchronised to connect to all the infrastructure in the event the power demand increases above the 3.277 MVA, which can be provided by Powercor. During periods of high demand on the Victorian electrical network, Mandalay or Powercor can activate this power source to decrease the burden on the distribution network and assist with the state's grid power supply.

#### Water

Water for underground and surface operations is sourced from the Augusta Mine Dam which is fed directly from the rising main that extends from the Cuffley 945 Pump Station to surface, i.e. raw water is sourced from underground dewatering.

The Brunswick Processing Plant sources water from a number of sources, including recycled process water from the Brunswick and Bombay TSFs.

Potable water is trucked to site by a private contractor and is placed in surface holding tanks for use in the change house and office amenities. Potable water for drinking is provided in 15 L containers.

The Margarets Aquifer Recharge Borefield is located approximately 1 km south of the Augusta operations. Aquifer recharge infrastructure at the Margarets Borefield includes several bores. A 2-year research development and demonstration approval is now complete and the project is awaiting final approval for ongoing operation.

# **Buildings and Facilities**

The Costerfield office and ablution facilities are located on the Augusta underground mine site and at the Brunswick site.

Currently, all employees live in the surrounding towns and commute to work in private vehicles. There are two houses available with rooms available to rent short term for new employees and contractors as required. Four individual short-term accommodations are also available on an as needed basis for contractors.

# Tailings and Waste Rock Storage Areas

Mandalay has two operational Tails Storage Facilities (TSFs), being the Brunswick TSF and the Bombay TSF.

The Bombay TSF returned to service as the replacement storage facility after the completion of a hybrid wall lift and remained the primary storage facility for 2023.

Construction of a new tailings dam known as the Brunswick West TSF commenced construction in 2024, with a design capacity of 584,000 m<sup>3</sup>.

The Brunswick Processing Plant employs a tailings thickener that has sufficient capacity to handle the current throughput. The average tailings thickener underflow solids density continues to be maintained at around 50% (+/- 10%).

Waste rock is currently stockpiled next to the Augusta Mine box-cut, with the maximum height and shape of the stockpile prescribed in the approved Work Plan. The approved Work Plan requires that this stockpile be removed on closure in order to return the land to the prior use as grazing pasture. The waste rock will ultimately be used to fill the box-cut and cap the TSFs.

#### Workforce

The workforce for Costerfield is sourced from the surrounding area and the large mining town of Bendigo. There is adequate access to labour available in the area for foreseeable operating plans.

# Accessibility

Access to Costerfield is via the sealed Heathcote–Nagambie Road which is accessed off the Northern Highway to the south of Heathcote, at a distance of approximately 100 km north of Melbourne. The Northern Highway links Melbourne and Central and North-Central Victoria.

The Augusta Mine site is accessed off the Heathcote–Nagambie Road via McNicols Lane which comprises a sealed/gravel road that continues for approximately 1.5 km to the Augusta site offices.

The Brunswick Processing Plant is located on the western side of the Heathcote–Nagambie Road, approximately 1 km further north of the McNicols Lane turnoff. The Brunswick site offices are accessed by a gravel road that is approximately 600 m long.

The access road to the mine off the Heathcote-Nagambie Road is a narrow-width bitumen strip with gravel shoulders.

# Climate

The climate of central Victoria is 'Mediterranean' in nature and consists of hot, dry summers followed by cool and wet winters. Annual rainfall in the area is approximately 500 mm to 600 mm, with the majority occurring between April and October. The annual pan evaporation is between 1,300 to 1,400 mm.

The temperature ranges from -2°C in winter (May to August) to +40°C in summer (November to February). The weather is amendable to year-round mining operations; however, occasional significant high rainfall events may restrict surface construction activity for a small number of days.

# Topography and Vegetation

The topography of the Costerfield area consists of relatively flat to undulating terrain with elevated areas to the south and west sloping down to a relatively flat plain to the north and east. The low-lying areas of the plain are a floodplain. The area ranges in elevation from approximately 160 m above sea level in the east along Wappentake Creek to 288 m above sea level in the northwest. Vegetation ranges from mixed species of open forest in the valleys and gentle slopes, with shrubby box gum on the stony gravelly hills and heath and grasses on the dry slopes and ridges. Much of the undulating land and alluvial flats have been cleared of vegetation for farming purposes.

# **Geology and Mineralization**

The Costerfield Au-Sb vein district, which overlaps the Costerfield property, is located on the northern end of the Darraweit Guim Province. Stratigraphy in this area comprises a thick sequence of Lower Silurian to Lower Devonian shelf and flysch sedimentary rocks, dominated by turbiditic siltstone, with minor sandstone and argillite. These rocks form the Murrindindi Supergroup. At the base of the Supergroup is the Costerfield Formation, which is conformably overlain by the Wappentake (sandstone/siltstone) and Dargile (mudstone) formations, the McIvor Sandstone and the Mount Ida Formation (sandstone/mudstone).

The north-trending Heathcote-Mt William fault system marks the western boundary of the Melbourne Trough in the Costerfield area.

The Au-Sb veins in the Costerfield district are hosted within the Silurian Costerfield Siltstone unit. Within the district, four north-northwest ("**NNW**") - trending zones of mineralization have been identified. They are, from the west:

1) Antimony Creek Zone, approximately 6.5 km southwest of Costerfield, on the outer western flank of the Costerfield Dome;

- 2) Western Zone, approximately 1.5 km west of Costerfield, on the western flank of the Costerfield Dome and includes the True Blue and West Costerfield deposits.
- 3) Costerfield Zone, near the crest of the dome, centred on the Costerfield township and hosting the major producing mines and deposits; and
- 4) Browns-Robinsons Zone, 2 km east of Costerfield.

Au-Sb veins of the Costerfield Property typically comprise quartz (laminated to brecciated) and sulphides. The dominant sulphide mineral is stibnite  $(Sb_2S_3)$ . Minor amounts of arsenopyrite and pyrite occur as well. Stibnite occurs as fine-grained, massive vein fill or as matrix support to vein-quartz breccias. Au is finely dispersed within the massive stibnite. As well, coarse Au is contained in the older quartz veins.

# Schematic Long Section and Plan view of Augusta, Cuffley, Brunswick, Youle lodes and the Shepherd Zone



The Youle Lode extends below the historical Costerfield, Minerva and Bombay group of mines located approximately 1.2 km northeast of Brunswick. Mineralization was identified in 2011 in drill hole MB012, which struck the down-dip continuation of the vertical Kendall Lode, offset westward over the west-dipping No. 3 thrust fault. In 2016, drill hole BC006W1 revealed the existence of a high-grade north– northwest striking, west-dipping Youle Lode structure. The Youle Lode dips at a shallower angle to the mineralized lodes in Augusta and Cuffley and has been identified as the down-dip continuation of the vertical Kendall Lode offset westward over the west-dipping No.4 thrust fault.

Youle has thus far demonstrated consistent structural and grade continuity over much of its extent. The Youle Lode has a strike length of 600 m, vertical height of 300m and ranges in true thickness on average of 0.31m up to maximums of ~3m. Similar to the Augusta and Brunswick Lodes, mineralization is confined to quartz-stibnite veins. In September 2019, Mandalay commenced development of the Youle Lode, which lies approximately 800 m north of the Brunswick Lode. Mine development of the Shepherd Zone commenced in October 2021.

The Shepherd Zone is a swarm of mineralized veins proximal to and underlying the Youle Lode. Parallel, subvertical to east dipping quartz veins exhibit coarse gold with intense sulphide alteration surrounding the veins. The Shepherd Zone extends approximately 550 m in strike and 150 m vertically.



# Conceptual Cross Section 7,200N through the Costerfield – Kendall/ Youle/ Shepherd System

# History

Exploration for Sb-Au deposits in the Costerfield area of Central Victoria started in the early 1850s and resulted in the discovery of the main Costerfield Reef in 1860. Around the same time, the Kelburn (Alison) Reef and Tait's Reef were discovered at South Costerfield.

The Alison Mine ceased operations in 1923, while the South Costerfield/Tait's Mine operated sporadically from the 1860s until 1978 and was the last shaft mine to operate on the field.

In 1970, Mid-East Minerals NL identified a large bedrock geochemistry anomaly south of Tait's Shaft, which they called 'Tait-Margaret'. This was subsequently drilled by the Mines Department in 1977 and mineralized veins were intersected.

In 2001, AGD drilled the 'Tait-Margaret' anomaly, which was re-named 'Augusta'. AGD commenced underground mining of the Augusta resource (C, W and E-Lodes) in 2006. Brownfield exploration core drilling by Mandalay in 2011 located a faulted offset of the Alison Lode beneath the old Alison Mine and New Alison Mine workings. The deeper offset mineralization was renamed the Cuffley Lode. Subsequent definition drilling throughout 2011 and 2012 resulted in an initial Inferred Resource for the Cuffley Lode being established in January 2012 and the Brunswick Lode in 2016.

Further infill and extension drilling continued to build on Inferred Resources and convert Inferred Resources to Indicated Resources in 2013-2016. Mining of the Cuffley Deposit began in 2014. Through 2014 and 2015 the focus of mining moved to N-Lode and Cuffley as extraction from E-Lode and W-Lode neared completion. 2017 ore extraction was predominantly from the N-Lode and Cuffley. In 2017, the Corporation began developing toward the Brunswick Lode, producing from Brunswick in late 2018. In 2018 successful exploration led to the inclusion of the Youle Lode in mineral reserves and mining commenced on the Youle Lode in 2019.

The period from 2019 to date, saw continued mining on the Youle Lode, along with identification and mining of the Shepherd Lode, with advancements made towards identifying future ore sources around the Robinsons, True Blue and Margaret Prospects.

In 2024, Mandalay estimated an Inferred Resource for the True Blue prospect, with a body of work undertaken to increase strike and depth extent.

# Exploration

Diamond Drilling undertaken on the Costerfield property for the period 1<sup>st</sup> of January to 31<sup>st</sup> of December 2024 saw a total of 59,029 metres completed. 39,684 of these metres were drilled from underground drill platforms targeting near mine opportunities along with extensional and developmental definition, while the remaining 19,345 metres was drilled from surface locations. Along with the increased drilling, a seismic survey spanning a planned 15 km and three soil geochemistry programs were also undertaken.

• Opportunistic targets around the Cuffley Deposit, Brunswick Deposit and the historic Alison Mine were tested for depth and strike extensions in areas of little known geologic knowledge.

- One additional drill hole and wedge on the Robinsons prospect was undertaken to test the major fluid pathways and locate the Costerfield formation below the deposit.
- Continued and ongoing drilling around the True Blue resource to increase knowledge of strike and depth extent.
- Second pass drill testing of the Bocks Reef prospect, in the far north of the tenement holdings, was undertaken to determine if mineralisation continued along strike to the north.
- Throughout 2024, soil sampling was undertaken in three areas across the tenement. Between Youle/Brunswick and West Costerfield, North of the True Blue Prospect (across EL006842 and EL3310), and over the eastern extent of EL6847. A total of 1081 samples were collected using a mechanical handheld auger on a 50 m sample spacing over 200 m spaced lines.

# Drilling Procedure

The Augusta Deposit has been subject to ongoing development and diamond drilling since commencement of mining operations in 2006. The current Mineral Resource estimates are completed using all historic drilling and then depleted for areas already mined.

Between 2006 and 2011, several drilling companies were contracted to provide both surface and underground drilling services at Costerfield. In order to ensure consistent results and quality of drilling, Starwest Drilling Pty Ltd was made the preferred drilling services supplier in 2011 and has been operating on site since. Due to an increase is drilling metres required, in July 2022, Deepcore drilling Pty Ltd were contracted to complete all underground drilling, with surface drilling remaining with Starwest.

Prior to 2011, various sized drill holes and drilling methods were used, including HQ2, HQ3, NQ2, LTK60, LTK48 diamond core sizes, and 5"1/8' to 5"5/8' RC hammers. Details of these drill holes were not always recorded, however, because the majority of this drilling is in areas that are already depleted by mining, the risk associated with this drilling is considered to be low.

Since 2011, underground diamond drilling has been completed predominantly using an LM90 drill rig, drilling HQ2 or NQ2 sized diamond drill holes. Underground Grade control drilling (UGGC) has been completed by either a kempe or Diamec drill rig producing LTK48-sized diamond core, with data from these drill holes providing both structural and detailed grade information.

In 2019, a LM30 drill rig, drilling BQ<sup>™</sup>TK, was utilised underground for additional UGGC drilling. Surface drilling was undertaken using HQ2 and NQ2 sized core barrels, with HQ3 used in zones of poor ground conditions or for noise reduction reasons.

| Year | Diamond Core (m) | Percussion/Auger (m) |
|------|------------------|----------------------|
| 2009 | 458.9            | 547.0                |
| 2010 | 4,032.0          | Nil                  |
| 2011 | 13,515.0         | Nil                  |
| 2012 | 18,581.4         | 7,295.6              |
| 2013 | 24,329.0         | 3,838.0              |
| 2014 | 20,817.0         | 3,906.0              |

# **Drilling at Costerfield**

| 2015  | 18,439.0  | 2,732.0  |
|-------|-----------|----------|
| 2016  | 32,995.0  | Nil      |
| 2017  | 27,827.0  | Nil      |
| 2018  | 34,656.0  | Nil      |
| 2019  | 9,556.0   | Nil      |
| 2020  | 29,080.0  | Nil      |
| 2021  | 36,255.0  | Nil      |
| 2022  | 40,453.0  | Nil      |
| 2023  | 42,518.0  | Nil      |
| 2024  | 59,029.0  | Nil      |
| TOTAL | 412,541.3 | 18,318.6 |

For more information on drilling, reference is made to section 10 of the Costerfield Technical Report.

# **Sampling and Analysis**

Samples were routinely collected and analysed from diamond drill core and channel samples from the ore development drive walls and faces.

# **Diamond Core Sampling**

The mineralisation style at the Costerfield Property is well understood and the geological controls on mineralisation well established. Sampling intervals were based on geological characteristics and marked on the diamond drill core by Mandalay geologists. Mineralisation is always clearly visible and therefore, systematic sampling of complete drill holes is not required.

The general rules that were followed in the selection of sample intervals were:

- All known lode structures and stibnite-bearing veins were sampled.
- Intersections of stockwork veins, laminated quartz veins or massive quartz veins were routinely sampled.
- Waste samples were collected from either side of the mineralised vein to determine the grade of the waste material immediately adjacent to the mineralisation. These waste samples ranged from 0.3 m to 1 m in downhole length.
- Siltstone was sampled where disseminated arsenopyrite was observed.
- Fault gouge zones were sampled at the discretion of the geologist.
- Diamond core sampling intervals were standardised wherever possible and ranged from 0.1 m to 1 m in length.
- Samples were cut close to and honouring definitive lithological and mineralisation contacts.

A Mandalay exploration field technician undertook the sampling of the diamond drill core. To obtain consistent samples for analysis and retention, the diamond drill core was cut perpendicular to the core

axis at the downhole sampling points and then cut in half (where half core sampling was completed) lengthways with an Almonte automated diamond saw.

In response to the visible gold in Shepherd, whole core samples were taken through the Shepherd orebody.

# **Underground Channel Wall and Face Sampling**

Ore drive face channel samples (face samples) were collected by Mandalay geologists on portable handheld computers (iPad). The digital capture software, Rock Mapper was used with the following method:

- Sample locations were determined so that the sample was collected perpendicular to the dip of the mineralisation, from the FW to the HW.
- The face size and sample lengths were measured.
- Each sample was collected as a channel sample using a geological hammer and placed into a prenumbered sample bag with a unique ID.
- Where there were two or more mineralised structures in the face, samples were also taken of the intervening waste.
- Sample lengths ranged from 5 cm to 1.0 m across the mineralisation, and typically weighed between 1 kg and 3 kg.
- The face was labelled with the heading, dated, and photographed into Rock Mapper.
- The area of lode and waste was drawn onto the photograph in Rock Mapper.
- Key features were sketched digitally directly onto the Rock Mapper software and sampling and structural data were recorded.
- On completion, data from the Rock Mapper files were automatically uploaded to the drill hole database.
- A record of the face photographs, annotations, and sampling files was saved on the Mandalay server.
- The location and orientation of the face was derived using the distance from survey marks and the survey pickup of the drive using Surpac and Rock Mapper to produce a georeferenced face photograph.
- The coordinates, orientation and dip of the channel were derived from the georeferenced face photograph using Rock Mapper with the resulting data stored in the drill hole database.
- The face photograph and channel data were validated against the survey pickup.
- A digital mesh derived from photogrammetry by Rock Mapper had the drive photograph overlayed and was then displayed in Leapfrog for validation against the channel sample.

Occasional wall channel samples are also taken at the Costerfield Property and follow the same process as above.

# **Data Management**

Prior to 2016, Costerfield geological data was stored within a Microsoft Access database, subject to daily backups on the network file system.

In November 2016, Mandalay purchased the GIM software acQuire, due to the high rate of data collection occurring at the Costerfield Property.

The installation of acQuire improved the overall efficiency of the data collection and handling systems, and the improved data integrity by minimising the likelihood of human error.

In 2021, the IMDEXHUB-IQ system for recording, storing and transferring downhole survey measurements was implemented on site. This system removed the need for transcription of surveys between the tool and the database.

In 2024 a recalculation of True North was undertaken using multiple test bed shots. The magnetic variation resulted in a correction from 18.4 degrees to 17.63 degrees when converting True North to Mine Grid North.

# **Data Verification**

In fulfilment of the NI43-101 requirements, SRK Geologist and QP Cael Gniel completed an inspection of the Property on 2 September and 20 November 2024. In addition to the site visit, the QP has previously worked as an exploration, mine and resource geologist at Costerfield from 2012 to 2018. The Property inspection focused on a review of the geological setting and mineralisation style, as well as the processes and procedures in place to ensure that they are at an acceptable standard for inclusion in a Mineral Resource Estimate.

In general, the QP considered that the qualitative and quantitative geological data used to inform the Costerfield Property Mineral Resource Estimates had been collected, validated and stored in line with industry best practice as defined in the CIM Mineral Exploration Best Practice Guidelines (CIM, 2018) and the CIM Estimation of Mineral Resource and Mineral Reserves Best Practice Guidelines (CIM, 2019). The QP considers that the data are suitable for use in the estimation of Mineral Resources. Refer to NI43-101 (SRK, 2025) for more details.

#### Sample Security and Transport

The Brunswick and Augusta sites are securely gated, with video surveillance and time stamped swipe card access. This included areas used for storage and collection of drill and face samples.

All sample bags that contained sampled material are placed in heavy duty plastic bags, along with the sample submission sheet. The plastic bags are sealed with a metal twisting wire or heavy-duty plastic cable ties. This process was applied to both underground channel samples and diamond drill core samples.

Samples are delivered by a private contractor or directly by Mandalay staff on a daily basis to On Site Laboratory Services in Bendigo, where they were accepted by the laboratory personnel.

Returned sample pulps from the On-Site laboratory remain in a secure on Site warehouse with a scheduled return to Mandalay for storage in secured and monitored shipping containers, wrapped in plastic.

# **Assaying Laboratories**

Routine assaying of the diamond drill core and face samples were completed by On Site in Bendigo, who is independent of Mandalay and holds current ISO/IEC 17025 accreditation.

Mandalay dispatched samples to On Site after which On Site's assay laboratory personnel completed sample preparation and chemical analysis. Results were returned to Mandalay staff, who validated and loaded the assay data into the relevant databases.

ALS Global Brisbane, SGS Kalgoorlie and Bureau Veritas Perth have been used to verify the accuracy of assays completed by On Site through the completion of quarterly umpire check analyses of selected samples.

# Assay Quality

In total, four project-specific type CRMs (MR2, MR23, OREAS290, and OREAS292) were produced from Costerfield Property ore and six commercial CRMs were inserted into dispatches during 2024 to monitor the performance of assay quality and accuracy.

The four project specific CRMs were prepared from ore grade material collected from the Augusta and Youle Deposits. The homogenisation, analysis and certification of these CRMs was performed and/or coordinated by Geostats Pty Ltd ("**Geostats**") or by ORE Research and Exploration Pty Ltd ("**OREAS**").

Mandalay also used six commercially available CRMs sourced from Geostats and ORE Research and Exploration Pty Ltd ("**OREAS**") that had a matrix approximate to Costerfield.

At least one standard was submitted with each batch of diamond core samples, typically at a rate of 1 standard per 25 samples. CRMs were submitted at a similar rate in the underground face/wall channel sample batches, which typically included two different CRMs per batch.

An assay result for a CRM was considered acceptable when the returned assay fell within three standard deviations (SD) of the CRM certification grade. Outside this range, the CRM assay was considered to have failed and all significant mineralized samples within the batch were re-assayed, where significant grades were defined as mineralized samples that may have a material-impact in future resource estimates. All actions or outcomes were recorded as comments in the QAQC register.

#### **Mineral Resources and Reserves**

Gold and antimony grades, and lode thicknesses were estimated using the 2D accumulation estimation method for all lodes. This method is considered by the QP to be more suitable for modelling narrow vein systems than conventional 3D block grade estimation due to its ability to more accurately model thin tabular geometry. The 2D accumulation method has remained the preferred Mineral Resource Estimation methodology for the Costerfield Property lodes since 2008 (AMC, 2008) and is often called a seam-model estimation method.

The 2D accumulation method requires that gold and antimony grades be multiplied by the true thickness of the intersection to generate variables referred to as accumulations or accumulated grades, measured

in gram-metres or percent-metres. This method assigns weights to composites of different lengths during estimation. Estimated gold and antimony block grades are then backcalculated from the estimated accumulated block grade by dividing by the estimated true vein thickness.

Only those lode models that feature new drilling, face sampling and assay data and/or revised geological interpretation have been re-estimated. The focus of mining, exploration and hence the estimations were:

- Youle (500 series models),
- Shepherd (600 series models)
- Cuffley (200 series models)
- Brunswick (300 series models).
- True Blue (700).

Cut-off grade, AuEq factor, the reasonable prospects of eventual economic extraction (RPEEE) assessment, and sterilisation were updated on all historical models.

The Mineral Resources are stated here for the Augusta, Cuffley, Brunswick and Youle deposits with an effective date of 31 December 2024. This date coincides with the following:

- Depletion due to mining up to 31 December 2024.
- Survey of stockpiled ore that was mined and awaiting processing as of 31 December 2024.

All relevant diamond drill hole samples (available as of 18 December 2024) and underground face samples (available as of 1 December 2024) in the Costerfield Property were used to inform the Mineral Resource Estimate.

The Mineral Resources are reported at a cut-off grade of 4.3 g/t AuEq, after diluting to a minimum mining width of 1.2 m. The Augusta, Cuffley, Brunswick, Youle, Shepherd, and True Blue deposits consist of a combined Measured and Indicated Mineral Resource of 1,197,000 t at 8.3 g/t gold and 2.5% antimony, and an Inferred Mineral Resource of 538,000 t at 7.5 g/t gold and 1.8% antimony.

Stockpiles retained at the Brunswick Processing Plant represent a Measured Mineral Resource of 43,000 t at 5.7 g/t gold and 0.8% antimony. Stockpile tonnage balances were calculated using drone acquired survey pickups, bulk density factors (If >3% Sb, 1.9 g/cm3, otherwise 1.85 g/cm3) and grades from production movements. For the Mineral Resource Estimate, only surface stockpiles with accurate surveyed volumes were included.

The gold equivalence formula used is calculated using the 2025 average modelled recovery (Refer to Section 17) at the Costerfield Property Brunswick Processing Plant for 2024, and is as follows:

Where the AuEq factor of 2.39 is calculated:

- at a gold price of US\$2,500/oz
- an antimony price of US\$19,000/t
- with 2025 predicted metal recoveries of 91% for gold and 92% for antimony.

The 2024 Mineral Resource is detailed in table below.

| Category               | Inventory<br>(kt) | Gold grade<br>(g/t) | Antimony grade<br>(%) | Contained gold<br>(koz) | Contained<br>antimony (kt) |
|------------------------|-------------------|---------------------|-----------------------|-------------------------|----------------------------|
| Measured (Underground) | 412               | 13.6                | 3.6                   | 180                     | 14.8                       |
| Measured (Stockpile)   | 43                | 5.7                 | 0.8                   | 8                       | 0.3                        |
| Indicated              | 741               | 5.5                 | 2.0                   | 132                     | 15.0                       |
| Measured + Indicated   | 1,197             | 8.3                 | 2.5                   | 320                     | 30.2                       |
| Inferred – Costerfield | 392               | 5.5                 | 1.3                   | 69                      | 5.2                        |
| Inferred (True Blue)   | 145               | 13.1                | 3.1                   | 61                      | 4.5                        |
| Inferred               | 538               | 7.5                 | 1.8                   | 130                     | 9.7                        |

# Mineral Resources at the Costerfield Property, inclusive of Mineral Reserves, as at 31 December 2024

1. The Mineral Resource is estimated as of 31 December 2024 with depletion through to this date.

2. The Mineral Resource is stated according to CIM guidelines and include Mineral Reserves.

3. Tonnes are rounded to the nearest thousand; contained gold (oz) is rounded to the nearest thousand; contained antimony (t) is rounded to nearest hundred.

4. Totals may appear different from the sum of their components due to rounding.

5. 4.3 g/t AuEq cut-off grade over a minimum mining width of 1.2 m is applied where AuEq is calculated using the formula: AuEq = Au g/t + 2.39 × Sb %

6. The AuEq factor of 2.39 is calculated at a gold price of \$2,500/oz, an antimony price of \$19,000/t, and recoveries of 91% for Au and 92% for Sb.

7. Veins were diluted to a minimum mining width of 1.2 m before applying the cut-off grade and peripheral mineralisation far from current development was excluded to comply with the RPEEE criteria.

8. The Stockpile Mineral Resource is estimated based upon surveyed volumes supplemented by production data.

9. Geological modelling, sample compositing and Mineral Resource Estimation for updated models was performed by Joshua Greene, MAusIMM, a full-time employee of Mandalay Resources.

10. The Mineral Resource Estimate was independently reviewed and verified by Cael Gniel MAIG RPGeo (Mineral Resource Estimation), an employee of SRK Consulting. Mr Gniel fulfils the requirements to be a 'Qualified Person' for the purposes of NI 43-101, and is the Qualified Person under NI 43-101 for the Mineral Resource Estimate.

Cut-off grade, gold equivalence (AuEq) factor, reasonable prospects of eventual economic extraction (RPEEE) evaluation assessment, and sterilisation were updated on all historic models.

A mine plan was prepared from the 2024 year-end Mineral Resource based only on Measured and Indicated Resource blocks, and mined primarily using a long-hole stoping mining method with cemented rock fill (CRF). The minimum stoping width of 1.5 m was used, with planned and unplanned dilution at zero grade for both gold and antimony.

An AuEq grade for Mineral Reserve has been calculated using commodity prices of US\$2,100/oz Au and US\$16,000/t Sb. AuEq grade is calculated using the formula:

$$AuEq = Au + (Sb \times 1.55)$$

where Sb is in % and Au is in grams/tonne

An operating cut-off grade of 5.6 g/t AuEq was determined from the Costerfield Property 2024 production costs.

The financial viability of Proven and Probable Mineral Reserve was demonstrated at metal prices of US\$2,100/oz Au and US\$16,000/t Sb. Refer to Market Studies and Contracts, Section 19, for an explanation on the source of the prices.

The 2024 Mineral Reserve is detailed in the table below.

| Category           | Tonnes (kt) | Gold grade<br>(Gt) | Antimony grade<br>(%) | Contained gold<br>(koz) | Contained<br>antimony (kt) |
|--------------------|-------------|--------------------|-----------------------|-------------------------|----------------------------|
| Proven Underground | 307         | 11.43              | 2.1                   | 113                     | 6.5                        |
| Proven Stockpile   | 43          | 5.7                | 0.8                   | 8                       | 0.3                        |
| Probable           | 253         | 5.9                | 1.69                  | 48                      | 4.3                        |
| Proven + Probable  | 604         | 8.7                | 1.8                   | 168                     | 11.1                       |

Mineral Reserve at the Costerfield Property as of December 31, 2024

1. The Mineral Reserve is estimated as at 31 December 2024 and depleted for production through to 31 December 2024.

2. Tonnes are rounded to the nearest thousand; contained gold (oz) is rounded to the nearest thousand; contained antimony (t) is rounded to nearest hundred.

3. Totals may appear different from the sum of their components due to rounding.

4. Lodes have been diluted to a minimum mining width of 1.5 m for stoping and 1.8 m for ore development.

5. A operational cut-off grade of 5.6 g/t AuEq is applied. An incremental cut-off grade of 3.2 g/t AuEq is applied where mining rates do not meet mill capacity and the life of the mine is not extended.

6. Commodity prices applied are US\$2,100/oz Au, US\$16,000/t Sb and exchange rate US\$:A\$ of 0.68.

7. AuEq is calculated using the formula:  $AuEq = Au g/t + 1.55 \times Sb \%$ .

8. The Mineral Reserve is a subset, a Measured and Indicated only schedule, of a LOM plan that includes mining of Measured, Indicated and Inferred Resources.

9. The Mineral Reserve Estimate was prepared by Vaughn Goyne, AAusIMM, who is a full-time employee of Mandalay Resources. The Mineral Reserve Estimate was independently verified by Robert Urie, FAusIMM, who is a full-time employee of SRK. Robert Urie fulfills the requirements to be a 'Qualified Person' for the purposes of NI 43-101, and is the Qualified Person under NI 43-101 for the Mineral Reserve.

The net decrease of 19,947 oz of gold in Proven and Probable Mineral Reserves for 2024, relative to 2023, consists of the addition of 34,841 oz of gold added by Mineral Resource conversion and addition of resources to the Shepherd orebody, and a total of 54,788 oz of gold depleted from the 2023 Mineral Reserves through mining production in 2023–2024 and through mining re-evaluation. The 483 t of antimony net increase in Proven and Probable Mineral Resources to Shepherd, and 3,113 t of antimony depleted from the 2024 Mineral Reserves through mining production in 2023–2024 and through mining re-evaluation.

#### **Mining Operations**

The Augusta Mine is serviced by a decline development from a portal within the Augusta box-cut. The Augusta decline dimensions are primarily 4.8 m high by 4.5 m wide at a gradient of 1:7 down. The majority of the decline development has been completed with a twin-boom jumbo. However, development of the decline from the portal to 2 Level was completed with a road-header; this section of decline has dimensions of approximately 4.0 m high by 4.0 m wide. The Augusta decline provides primary access for personnel, equipment, and materials to the underground workings.

The Cuffley Decline extends as a branch off the Augusta Decline at 1028 mRL and continues down to approximately 895 mRL. At 935 mRL, the Cuffley Incline extends off the Cuffley Decline and accesses mineral resources from the 945 mRL to the 1,050 mRL. This incline was used to extract N and Cuffley lodes.

Mining in the Cuffley incline on N and Cuffley lodes is complete and it is now the location of the High Explosive (HE) Magazine. Alison lode will use the Cuffley incline as an access point in future.

A second decline within Cuffley, known as the 4800 decline, accesses the southern part of the Cuffley Lode which is positioned south of the East Fault. This decline commences at 960 mRL and extends to 814 mRL. The Mineral Reserve in the 4800 decline consists of remnant pillars from past stoping and long-hole Half Upper Stopes (HUS) and CRF stopes.

The Brunswick Access, 5.5 m high by 4.5 m wide development, starts from 925 mRL on the Cuffley Decline and accesses the Brunswick Deposit at 955 mRL.

The Brunswick Incline continues from 955 mRL up to the Brunswick Portal. The Brunswick Incline development was mined to breakthrough into the Brunswick Open pit, establishing the Brunswick Portal during the second half of 2020. The Brunswick Incline has the dimensions 4.8 m high by 4.5m wide at a gradient of 1:7 up and was mined with a twin-boom jumbo. The Brunswick Open Pit was prepared for the portal breakthrough with a pushback completed by a combination of road-header and drill and blast, supported by a twin-boom jumbo. The first 20 m advance of Brunswick Portal was completed by a road-header with the dimensions 5.0 m high by 5.0 m wide at a gradient of 1:25 up. The establishment of the Brunswick Portal provides an additional means of egress from the mine and is the primary material haulage route from underground to the Brunswick Mill for ore processing and waste storage.

The Youle access, 5.5 m high by 5.5 m wide, extends from the Brunswick Incline at 961 mRL and accesses the Youle Deposit at 957 mRL. From this level, the Youle Decline, 4.8 m high and 4.5 m wide, continues down to 548 mRL, accessing material down to 528RL on both the Youle and Shepherd deposits.

Mill feed is produced from three different mining methods: full-face jumbo development, long-hole CRF stoping and HUS. All mined ore material is hauled from the underground working areas to the Brunswick ROM via the Brunswick Incline and Portal. Waste material produced from mining is stored underground for use as stope backfill.

The Mineral Reserve LOM Plan, based on the December 2024 Mineral Resource model, includes mining of the Augusta, Cuffley, Brunswick, Youle and Shepherd Deposits.



Long-section of the as-built and Mineral Reserve designs – Augusta, Cuffley, Brunswick and Youle

Red – planned development; green – measured planned production; purple – indicated planned production; grey – depleted workings.



Long-section of Augusta and Cuffley Mineral Reserve mine design

Red – planned operating and capital development; green – measured planned stoping; purple – indicated planned stoping; grey – as built.



Long-section of Brunswick Mineral Reserve mine design

Red – planned operating and capital development; green – measured planned stoping; purple – indicated planned stoping; grey – as built.



Long-section of proposed Youle mine design on Youle and Shepherd lodes

Red – planned operating and capital development; green – measured planned stoping; purple – indicated planned stoping; grey – as built.

# Metallurgical Processing and Recoverability

The Brunswick Processing Plant treats an antimony and gold rich sulphide ore through a conventional comminution and flotation style concentrator. It has been operating since 2007, and by Mandalay Resources since late 2009. Since then, several plant upgrades have resulted in production capacity increases to the current rate of approximately 10,000-13,000 t/month over the 2015 to 2024 calendar years. The concentrator operates 24 hours per day, 7 days per week, while crushing operates under noise restriction guidelines during extended dayshift hours.

The surface crushing and screening facility processes underground feed down to a particle size range suitable for milling through a two-stage, closed circuit ball milling circuit. Centrifugal style gravity concentrators are used on the combined primary milling product and secondary mill discharge to recover a gold-rich gravity concentrate. This is upgraded further over a shaking table and sold as a separate gold concentrate product which is transported to local refineries.

Secondary milled products are classified according to size and processed through a simple flotation circuit comprising of two StackCell<sup>®</sup> roughers, two additional rougher tank cells followed by the original flotation train rougher, scavenger and single stage cleaning. Two CavTube<sup>®</sup> flotation columns were added to the tailings end of the existing flotation circuit and were successfully commissioned in April 2021.

The flotation concentrate is dewatered through thickeners and with filtration to produce a final antimonygold concentrate product which is bagged, packed into shipping containers and shipped to customers overseas. The flotation tailings are thickened before being pumped to the Bombay tailings storage facility (TSF) or used in underground paste fill. A new TSF is currently under construction and is expected to be operational in May 2025.

Simple head grade versus recovery relationships have been developed for both antimony and gold using plant operating data. The gold head grade versus gold recovery relationship has used January 2023 to September 2024 monthly production data. The Youle and Shepherd ore blends recently processed have been used to determine recovery, this will be similar throughout the LOM, with the exception of some remnant mining which is included. The inclusion of remnant mining has been accounted for in the recovery models.

Similarly, the antimony recovery algorithm has been updated due to the processing of Youle and Shepherd blended ores. The monthly operational data for August 2023 to September 2024 has been used for antimony to reflect the lower head grades typically associated with higher proportions of Shepherd ore.

Forecast antimony and gold recoveries used for LOM planning, budgeting and economic modelling are based on these recovery relationships. This is the best method of forecasting recovery when processing a similar feed blend. These algorithms are updated annually. Based on these algorithms, the forecast average LOM 2025 recoveries are 90.1% and 92.2% for antimony and gold respectively. These are not dissimilar to the 2024 end of year (EOY) reconciled plant recoveries of 90.8% Sb and 94.8% Au, with lower antimony recovery in LOM 2025 due to the lower anticipated head grade.

The recovery relationships are well understood and are appropriate for metallurgical recovery estimation purposes. They are supported by historic concentrator recoveries at similar feed grades and compare well to previous grade/recovery relationships. Further recovery confidence is provided by the consistent recoveries of both antimony and gold achieved over a number of years across a range of feed grades. Full details have been provided in Section 13 of the Costerfield Technical Report.

# Markets

Costerfield is a combined Au and Sb mine; the business is sensitive to the price of both metals. Sb is not traded on international metal exchanges, with prices being agreed upon between producer and consumer. Pricing is dependent on the quality and form of Sb product sold.

Sb is primarily used as a flame retardant and in lead- acid battery production, which together account for the majority of global antimony consumption. Sb is also used in technology applications such as cables, circuit boards, lasers, Babbitt bearings for ships, and infrared sensors. Demand is increasing in cable sheathing for fiber internet, as well as in renewable power applications including solar panels, wind turbines, nuclear power plant shields, and energy transition and storage solutions. Sb plays a growing role in strategic defense due to its importance in security applications. The U.S. Department of Defense has listed Sb as a strategic and critical mineral. Approximately 87% of global supply comes from China, Russia, and Tajikistan, with China alone accounting for the vast majority. In December 2024, China banned all antimony exports, further intensifying supply constraints.

The Sb-Au concentrate produced from the Costerfield mine is sold directly to smelters capable of recovering both the Au and Sb from the concentrates, such that Mandalay receives payment based on the concentration of both metals in the concentrate. The terms and conditions of commercial sale are not

disclosed pursuant to confidentiality requirements. The marketing of the concentrate is conducted through a third party.

# Contracts

Costerfield employs contractors to perform capital development mining as required, undertake diamond drilling activities and for surface haulage and earthwork activities.

# Environmental

The Costerfield Operation is in compliance with all environmental rules and regulations. Other than the rehabilitation bond, the project is not subject to any other environmental liabilities. The current total bond of AUD\$9.475 million has been fully funded, while the additional AUD\$1.46 million is due to be paid in March 2025 when the bond increases to AUD\$10.18 million total.

Taxes

The Australian government taxes on Mandalay Costerfield include:

A Goods and Services Tax ("**GST**") at a rate of 10%, as levied by the federal government on purchases by individuals and corporations on non-exempt goods and services. Businesses can claim back GST on most business inputs. It is assumed that all of the product sales will be to overseas customers, therefore no GST is applicable.

Company tax, payable at a rate of 30%, which is calculated on the profits generated by the operation.

As at the end of December 2024, Mandalay Costerfield had zero carried forward tax losses.

Capital Costs

The estimated total capital requirements for the Costerfield Operation are outlined in the table below.

A detailed breakdown of the individual capital items included in the economic model was sourced from the 2025 budget document. Sustaining capital costs listed in the 2025 budget are extended out through the duration of the reserves in the LOM.

| Area                | Total | CY25    | CY26    | CY27    | CY28    | CY29    | CY30    |
|---------------------|-------|---------|---------|---------|---------|---------|---------|
|                     |       | (A\$ M) |
| Capital development | 5.5   | 3.3     | 2.2     | 0.0     | 0.0     | 0.0     | 0.0     |
| Processing plant    | 18.2  | 11.4    | 3.6     | 2.0     | 0.5     | 0.5     | 0.2     |
| Administration      | 2.6   | 0.8     | 0.4     | 0.4     | 0.4     | 0.4     | 0.2     |
| Environmental       | 14.4  | 0.2     | 0.6     | 0.2     | 0.2     | 0.2     | 13.0    |
| OH&S                | 0.5   | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     | 0.0     |
| Operational geology | 0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Exploration         | 0.5   | 0.0     | 0.1     | 0.1     | 0.1     | 0.1     | 0.1     |
| Mining              | 8.1   | 4.1     | 1.0     | 0.6     | 1.2     | 0.6     | 0.6     |
| Total capital cost  | 49.8  | 19.9    | 8       | 3.4     | 2.5     | 1.9     | 14.1    |

# **Costerfield Operation – Capital Cost Estimate**

1. Totals may not add-up due to rounding.

2. OH&S – occupational health and safety.

3. Bank guarantees held in favour of the government of \$9.425 M are refundable on signed-off completion of rehabilitation works.

# **Operating Costs**

Operating costs are derived from tracked historical expenditure under operating expenditure cost codes and financial analysis split costs using a combination of mining and milling physicals, along with mining operations timesheet and payroll data. This method ensures an accurate split of operational costs for estimating purposes.

The operating cost estimates applied in this Report are summarised in table below:

| Description                        | Unit         | A\$    | Data source  |
|------------------------------------|--------------|--------|--------------|
| Jumbo operational development      | A\$/t        | 238    | 2024 average |
| Stoping                            | A\$/t        | 186    | 2024 average |
| Mining administrative              | A\$/day      | 13,094 | 2024 average |
| Geology                            | A\$/day      | 7,597  | 2024 average |
| ROM haulage                        | A\$/t        | 5      | 2024 average |
| Processing plant                   | A\$/t milled | 114    | 2024 average |
| Site services                      | A\$/day      | 7,068  | 2024 average |
| General and administrative         | A\$/day      | 24,940 | 2024 average |
| Selling expenses excluding royalty | A\$/t con    | 178    | 2024 average |

#### **Costerfield Property operating cost inputs**

1. Royalty costs are calculated in accordance with royalty payment structures. Sb royalty is paid at a rate of 2.75% of *revenue less selling costs*. Au royalty is also paid at 2.75% of *revenue less selling costs* with 2,500 of saleable Au ounces exempt from royalty payment.

#### **Exploration and Development**

Further regional exploration is planned in 2025 extending and developing the current resource at True Blue which is situated 2km west of the Youle workings. Near mine drilling will also continue exploring a number of prospects within the central corridor with a focus on the Sub KC orebodies.

# 6.6 Risk Factors

The Corporation is exposed to a variety of risks in the normal course of operations that could significantly affect its performance and could cause its actual results to differ in material respects from its anticipated results. These risks are discussed below and are in addition to those outlined elsewhere in this Annual Information Form and in the Corporation's public filings with the Canadian securities regulatory authorities, including the Corporation's management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2023 and 2024, available on SEDAR+ at www.sedarplus.ca under the Corporation's profile.

As a result of any one or more of these risks, the Corporation's operating results and Common Share price may be subject to a significant level of volatility.

# **Risks Relating to the Gold Industry**

Gold prices are volatile, and there can be no assurance that a profitable market for gold will exist.

Mandalay's business is strongly affected by the world market price of gold. If the world market price of gold was to drop and the prices realized by Mandalay on gold sales were to decrease significantly and remain at such a level for any substantial period, Mandalay's profitability and cash flow would be negatively affected. Mandalay's gold production is sold into the spot market or to refiners at market prices. Gold prices have fluctuated widely in recent years. These fluctuations can be material and can occur over short periods of time and are affected by numerous factors, all of which are beyond Mandalay's control. Gold prices are subject to changes resulting from a variety of factors including international economic and political trends, expectations of inflation, global and regional supply and demand and consumption patterns, stock levels maintained by producers and others, currency exchange fluctuations, inflation rates, interest rates, hedging activities and increased production due to improved mining and production methods. Future production from Mandalay's mining properties is dependent on gold prices that are adequate to make these properties economically viable. While the price of gold has recently been strong, there can be no assurance that gold prices will remain at such levels or be such that Mandalay's properties can be mined at a profit. Some credible industry experts predict that gold will continue to increase in price during 2025 and the next several years. However, other credible industry experts expect that the price of gold has generally peaked during the recent pandemic and resulting economic crisis. As economies slowly recover over the next few years, the price of gold will decrease and be worth much less per ounce than it is today. Depending on the market price of gold, Mandalay may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of its current projects, as applicable, which could have an adverse impact on Mandalay's financial performance and results of operations. In such a circumstance, Mandalay may also curtail or suspend some or all of its exploration activities, with the result that depleted reserves are not replaced. In addition, the market value of Mandalay's gold inventory may be reduced, and existing reserves may be reduced to the extent that ore cannot be mined and processed economically at the prevailing prices.

#### Mining is inherently risky and subject to conditions and events beyond Mandalay's control.

Mining involves various types of risks and hazards, including:

- environmental hazards;
- unusual or unexpected geological operating conditions, such as rock bursts, structural cave-ins or slides;
- flooding, earthquakes and fires;
- labour disruptions;
- industrial accidents;
- unexpected mining dilution;
- metallurgical and other processing problems; and/or
- metal losses and periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability. Mandalay may not be able to obtain insurance to cover these risks at affordable premiums or at all. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to Mandalay or other companies within the mining industry. Mandalay may suffer a materially adverse effect on its business if it incurs losses related to any significant events that are not covered by its insurance policies.

# Calculation of Mineral Reserves and Mineral Resources and metal recovery is only an estimate, and there can be no assurance about the quantity and grade of minerals until Mineral Resources are actually mined.

Mandalay's mineral reserves (or ore reserves) and mineral resources are estimates, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of gold or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a discovery may change. Because Mandalay prepares its Annual Information Form in accordance with the disclosure requirements of Canadian securities laws, it contains resource estimates, which are required by NI 43-101. Mineral resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole information, which is not necessarily indicative of the conditions between and around drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available, as actual production experience is gained or as the Company's mining methods are changed. No assurance can be given that any part or all of Mandalay's mineral resources constitute or will be converted into reserves. Market price fluctuations of gold and certain other metals, as well as increased production and capital costs or reduced recovery rates, may render Mandalay's proven and probable reserves uneconomical to develop at a particular site or sites for periods of time, or may render mineral reserves containing relatively lower grade mineralization uneconomical. Moreover, short-term operating factors relating to the mineral reserves, such as the need for the orderly development of ore bodies, the processing of new or different ore grades, the technical complexity of ore bodies, unusual or unexpected ore body formations, ore dilution or varying metallurgical and other ore characteristics may cause mineral reserves (or ore reserves) to be reduced or Mandalay to be unprofitable in any particular accounting period. Estimated reserves may have to be recalculated based on actual production experience, fluctuations in the price of metals, or changes in other assumptions on which they are based. Any of these factors may require Mandalay to reduce its mineral reserves (or ore reserves) and resources, which could have a negative impact on Mandalay's financial results. Failure to obtain or maintain necessary permits or government approvals or changes to applicable legislation could also cause Mandalay to reduce its reserves. In addition, changes to mine plans due to capital allocation decisions could cause Mandalay to reduce its reserves. There is also no assurance that Mandalay will achieve indicated levels of gold recovery or obtain the prices assumed in determining such reserves. The calculation of Mineral Reserves, Mineral Resources, and corresponding grades being mined or dedicated to future production is imprecise and depends on geological interpretation and statistical inferences or assumptions drawn from drilling and sampling analysis, which might be unpredictable. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Until Mineral Reserves or Mineral Resources are actually mined and processed, the quantity of Mineral Reserves or Mineral Resources and grades must be considered as estimates only. Any material changes in Mineral Reserves, Mineral Resources, grade or stripping ratio at Mandalay's properties may affect the economic viability of Mandalay's properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger-scale tests under on-site conditions or during production.

#### Significant uncertainty exists related to inferred Mineral Resources.

There is a risk that inferred Mineral Resources referred to in this AIF cannot be converted into measured or indicated Mineral Resources. Due to the uncertainty relating to inferred Mineral Resources, there is no assurance that inferred Mineral Resources will be upgraded to resources with sufficient geological and grade continuity to constitute measured and indicated resources as a result of continued exploration.

# Mandalay may not be able to replace its Mineral Reserves

Mandalay's mineral reserves must be replaced to maintain production levels over the long-term. Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature and identifying new ore bodies is becoming increasingly difficult. Mandalay's exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. Depletion of reserves may not be offset by discoveries or acquisitions and divestitures of assets could lead to a lower reserve base. Mandalay may decide to dispose of additional assets in 2025 or future years as part of its ongoing focus on gold properties and other strategic initiatives, which may further deplete Mandalay's reserves. Reserves estimated in accordance with NI 43-101 may also decrease due to economic factors such as the use of a lower metal price assumption. However, such a decline would not be a reduction in the actual mineral base of the Company, as the ounces or pounds removed from Mandalay's reserves due to the use of a lower gold assumption would be transferred to resources, preserving the option to access them in the future at higher gold prices. The mineral base of Mandalay will decline if reserves are mined without adequate replacement and Mandalay may not be able to sustain production to or beyond the currently contemplated mine lives, based on current production rates.

# **Risks Relating to Mandalay's Business**

# Mandalay's operations involve exploration and development, and there is no guarantee that any such activity will result in commercial production of mineral deposits.

The proposed programs on the exploration properties in which Mandalay holds an interest are exploratory in nature, and such properties do not host known bodies of commercial ore. The development of these mineral properties is contingent upon, among other things, obtaining satisfactory exploration results. Mineral exploration and development involve substantial expenses related to locating and establishing Mineral Reserves, developing metallurgical processes and constructing mining and processing facilities at a particular site. It also involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to mitigate adequately. As a result, few properties that are explored are ultimately developed into producing mines, and there is no assurance that commercial quantities of ore will be discovered on any of Mandalay's exploration properties. There is also no assurance that, even if commercial quantities of ore are discovered, a mineral property will be brought into commercial production or that it will be profitable if brought into production. The discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon, among a number of other factors, its size, grade, proximity to infrastructure, current metal prices, and government regulations, including regulations relating to required permits, royalties, allowable production, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but any of these factors, or the combination of any of these factors, may prevent Mandalay from receiving an adequate return on invested capital. In addition, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Some ore reserves may become unprofitable to develop if there are unfavorable long-term market price fluctuations in gold or significant increases in operating or capital costs. Most of the above factors are beyond Mandalay's control, and it is difficult to ensure that the

exploration or development programs proposed by Mandalay will result in a profitable commercial mining operation.

# Fluctuations in currency exchange rates may adversely affect Mandalay's financial position and results of operations.

Fluctuations in currency exchange rates, particularly operating costs denominated in currencies other than US dollars, may significantly impact Mandalay's financial position and results of operations. Mandalay generally sells its gold based on a US dollar price, but a major portion of Mandalay's operating expenses is incurred in non-US currencies. In addition, the appreciation of the Australian dollar or Swedish Krona against the US dollar could further increase the dollar costs of gold production at Mandalay's mining operations in Australia and Sweden respectively, which could materially and adversely affect Mandalay's earnings and financial condition.

# There are risks inherent in the Corporation's use of derivatives.

The Corporation may from time to time seek to manage risks associated with currency and commodity price volatility though the use of derivatives and other hedging programs. There are no assurances that such arrangements will be successful.

The Corporation has implemented a gold hedging policy for a maximum of 25% of its annual gold production and a foreign exchange hedging policy for maximum of 50% of US dollar to Swedish Krona and Australian dollars to protect a portion of its cash flows and de-risk the balance sheet. While hedging activities may protect the Corporation against exchange rate and gold price fluctuations, hedging may limit the gains the Corporation actually realizes and therefore could reduce the Corporation's revenues in the future. In addition, if the Corporation's production of gold is insufficient to satisfy its delivery obligations under its hedging program, the Corporation may have to purchase physical gold to satisfy such obligations which could have an adverse impact on the Corporation's cash flow and revenues. The use of derivative instruments involves certain inherent risks including: (a) credit risk – the risk of default on amounts owing to the Corporation by the counterparties with which the Corporation has entered into such transactions; (b) market liquidity risk – the risk that the Corporation has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; and (c) price / valuation risk – the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies, gold or interest rates will result in the Corporation incurring a realized or unrealized (mark-to-market) loss in respect of such derivative products.

# Competition for new mining properties may prevent Mandalay from acquiring interests in additional properties or mining operations.

The gold mining industry is intensely competitive. Significant and increasing competition exists for gold and other mineral acquisition opportunities throughout the world. Some of the competitors are large, more established mining companies with substantial capabilities and greater financial resources, operational experience and technical capabilities than Mandalay. As a result of this competition, Mandalay may be unable to acquire rights to additional attractive mining properties on terms it considers acceptable. Increased competition could adversely affect Mandalay's ability to attract necessary capital funding or acquire an interest in additional operations that would yield Mineral Reserves or result in commercial mining operations.

Mandalay relies on its management and key personnel, and there is no assurance that such persons will remain at Mandalay or that it will be able to recruit skilled individuals.

Mandalay relies heavily on its management. Recruiting and retaining qualified personnel is critical to Mandalay's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited, and competition for the services of such persons is intense. In addition, as Mandalay's business activity grows, it may require additional key financial, administrative, technical and mining personnel. The failure to attract and/or retain such personnel to manage growth effectively could have a material adverse effect on Mandalay's business, prospects, financial condition and results of operations.

Actual capital costs, operating costs, production and economic returns may differ significantly from those estimated by Mandalay, and there can be no assurance that any future development activities will result in profitable mining operations.

Capital and operating costs, production and economic returns, and other estimates contained in the feasibility studies for Mandalay's projects may differ significantly from those anticipated by Mandalay's current studies and estimates, and there can be no assurance that Mandalay's actual capital and operating costs will not be higher than currently anticipated. In addition, delays to construction schedules may negatively impact the net present value and internal rates of return of Mandalay's mineral properties as set forth in the applicable feasibility studies.

# Increases in energy costs or the interruption of Mandalay's energy supply may adversely affect Mandalay's results of operations.

Mandalay's operations are energy-intensive and rely upon third parties to supply the energy resources consumed in its operations. The prices for and availability of energy resources may be subject to change or curtailment, respectively, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, interruptions in production by suppliers, worldwide price levels and market conditions. Disruptions in supply or increases in costs of energy resources could have a material adverse impact on Mandalay's financial condition and the results of operations.

# There can be no assurance that the interests held by Mandalay in its properties are free from defects.

Mandalay's properties may be subject to prior recorded, and unrecorded agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Title insurance is generally not available for mineral properties, and Mandalay's ability to ensure that it has obtained a secure claim to individual mining properties or mining concessions may be severely constrained. Mandalay has not conducted surveys of all of the claims in which it holds direct or indirect interests. A successful challenge to the precise area and location of these claims could result in Mandalay being unable to operate on its properties as permitted or unable to enforce its rights with respect to its properties. No assurance can be given that Mandalay's rights will not be revoked or significantly altered to its detriment. There can also be no assurance that third parties will not challenge or impede its rights.

# Mandalay is exposed to risks of changing political stability and government regulation in the countries in which it operates.

Mandalay holds mineral interests in Australia and Sweden that may be affected, in varying degrees, by political instability, government regulations relating to the mining industry and foreign investment therein, and the policies of other nations in respect to Australia and Sweden. Any changes in regulations

or shifts in political conditions are beyond Mandalay's control and may adversely affect its business. Mandalay's operations may be affected in varying degrees by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, employment, land use, water use, environmental legislation and mine safety. The regulatory environment is in a state of continuous change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Mandalay's operations may also be adversely affected in varying degrees by political and economic instability, economic or other sanctions imposed by other nations, terrorism, military repression, crime, extreme fluctuations in currency exchange rates and high inflation.

# Mandalay's mining and exploration activities are subject to extensive local laws and regulations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, which may require operations to cease or be curtailed, or corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation of such requirements, could have a materially adverse impact on Mandalay and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

# Mandalay's operations are subject to numerous governmental permits, which are difficult to obtain, and it may not be able to obtain or renew all of the permits it requires, or such permits may not be timely obtained or renewed.

Government approvals and permits are sometimes required in connection with Mandalay's operations. Although Mandalay believes it has all of the material approvals and permits to carry on its operations, Mandalay may require additional approvals or permits or may be required to renew existing approvals or permits from time to time. Obtaining or renewing approvals or permits can be a complex and time-consuming process. There can be no assurance that Mandalay will be able to obtain or renew the necessary approvals and permits on acceptable terms, in a timely manner, or at all. To the extent such approvals are required and not obtained, Mandalay may be delayed or prohibited from proceeding with planned exploration, development or mining of mineral properties. Environmental permits are granted for one- to ten-year periods, and all local agencies have the right to monitor and evaluate compliance with the issued permits even though such monitoring tends to be minimal in scope and nature. Any changes to the exploration activities that result in a greater environmental impact require approval. The work the Company carries out on its exploration licences is largely restricted to drilling and ancillary activities associated with the drilling programs (i.e., low impact road construction, drilling stations). As such, the reclamation costs in respect of drilling activities are not material to the Company and are factored into the budget for exploration programs.

# Mandalay is subject to substantial environmental laws and regulations that may increase its costs and restrict its operations.

All phases of Mandalay's operations are subject to environmental regulations in the jurisdictions in which it operates. These laws address emissions into the air, discharges into water, management of waste and hazardous substances, protection of natural resources and reclamation of lands disturbed by mining

operations. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays and may cause material changes or delays in, or the cancellation of, Mandalay's intended activities. There can be no assurance that future changes in environmental regulation, if any, will not be materially averse to Mandalay's operations. Specifically, new laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a materially adverse impact on the Company, increase costs, cause a reduction in levels of production and/or delay or prevent the development of new mining properties. While there are a variety of measures under consideration, recently approved legislation at the federal and state level includes the potential increase of financial assurance requirements, increased fines and penalties for environmental damages and/or requiring the Company to further address risks to residents downstream. While regulations are pending on these issues, these laws and regulations may adversely affect Mandalay's operations or increase the costs associated with those operations. The properties in which Mandalay holds interests may contain environmental hazards, which are presently unknown to it, and caused by previous or existing owners or operators of the properties.

#### The Company's information assets and critical infrastructure may be subject to cyber security risks.

The Company's information assets and critical infrastructure may be subject to cybersecurity risks. The Company is subject to a variety of information technology and system risks as part of its normal course of operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, ransomware, security breach, and destruction or interruption of the Company's information technology systems by third parties or insiders. Despite Mandalay's security measures and controls, which are designed to mitigate these risks, a breach of its security measures and/or a loss of information could occur and result in a loss of material and confidential information and reputation, breach of privacy laws and a disruption to the Company's business activities by limiting its capacity to effectively monitor Mandalay's operations. Mandalay's failure to appropriately maintain the security of the data it holds, whether as a result of its own error or the malfeasance or errors of others, could harm Mandalay's reputation or trigger legal liabilities and increased costs. Any future cybersecurity attacks that affect Mandalay's facilities, communications systems, Mandalay's customers or any of Mandalay's financial data could have an adverse effect on Mandalay's business. In addition, cyber-attacks on employee data may result in a financial loss and may negatively impact the Company's reputation. Third-party systems on which the Company relies could also suffer operational system failure but the significance of any such event is difficult to quantify. Privacy and information security risks have generally increased in recent years because of the proliferation of new technologies, such as ransomware, and the increased sophistication and activities of perpetrators of cyber-attacks. Mandalay has taken the following steps to protect against cyber security attacks: hiring third-party information technology consultants to review and monitor Mandalay's cyber security and conduct security tests; educating employees on cyber security threats, including phishing attacks, and best practices to protect against cyber threats; using multi-factor authentication by employees; preparing incident response plans; and limiting third-party access to Mandalay's key networks and technology infrastructure. In the future, Mandalay may expend additional resources to continue to enhance Mandalay's information security measures and/or to investigate and remediate any information security vulnerabilities. Despite these steps, there can be no assurance that Mandalay will not suffer a data security incident in the future, that unauthorized parties will not gain access to sensitive data stored on Mandalay's systems, or that any such incident will be discovered in a timely manner. Furthermore, the techniques used by criminals to obtain unauthorized access to sensitive data, such as phishing and other forms of human engineering, are increasing in sophistication and are

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often novel or change frequently; accordingly, Mandalay may be unable to anticipate these techniques or implement adequate preventative measures.

# Mine closure and land reclamation requirements for Mandalay's mining and exploration properties may be burdensome.

Closure and land reclamation activities are an integral and inevitable phase in the life cycle of a mine and carry inherent risks. Land reclamation requirements are generally imposed on companies engaged in mining operations and mineral exploration activities in order to minimize the long-term effects of land disturbance. Reclamation may include requirements to control the dispersion of potentially deleterious effluents and reasonably re-establish pre-disturbance landforms and vegetation. Mine closure and land reclamation activities in cold climates can be particularly challenging due to the need for a winter ice road to transport bulk materials and large mobile equipment, which is dependent on climate conditions for its constructability and durability, and the regulatory framework relevant to those jurisdictions which is becoming increasingly stringent and continuously evolving. In order to carry out reclamation obligations imposed on Mandalay in connection with its mining and exploration activities, Mandalay must allocate financial resources that might otherwise be spent on further exploration and development programs and final mine closure, reclamation and remediation costs could exceed the provisions that Mandalay has made for these obligations. If Mandalay is required to carry out unanticipated reclamation work, its financial position could be adversely affected.

# Mandalay may not be able to obtain financing on acceptable terms, or at all.

Mandalay may need additional capital to accomplish its exploration and development plans or to cover its expenses and maintain adequate working capital, and there can be no assurance that financing will be available on terms acceptable to Mandalay or at all. Depending on gold prices and Mandalay's ability to achieve its plans and generate sufficient operating cash flow from its existing operations, the Company may require substantial additional financing to accomplish its exploration and development plans, maintain adequate working capital, or fund any non-operating expenses that may arise or become due such as interest, tax (in Canada, Australia or Sweden) or other expenses. Failure to obtain sufficient financing, or financing on terms acceptable to Mandalay, may result in a delay or indefinite postponement of exploration, development or production on any or all of Mandalay's properties or even a loss of an interest in a property, or an inability to pay any of Mandalay's non-operating expenses which could also lead to late fees or penalties, depending on the nature of the expense. The only source of funds now available to Mandalay is through production at Costerfield and Björkdal, the sale of debt or equity capital, properties, royalty interests or the entering into of joint ventures or other strategic alliances in which the funding sources could become entitled to an interest in Mandalay's properties or projects. Additional financing may not be available when needed. If funding is available, the terms of such financing might not be favourable to Mandalay and might involve substantial dilution to existing shareholders. If financing involves the issuance of debt, the terms of the agreement governing such debt could impose restrictions on Mandalay's operation of its business. Failure to raise capital when needed could have a materially adverse effect on Mandalay's business, financial condition and results of operations.

#### Mandalay is exposed to risks of labour disruptions and changing labour and employment regulations.

Employees of Mandalay's principal projects are unionized, and the collective bargaining agreements between Mandalay and the unions that represent these employees must be renegotiated on an annual basis. Although Mandalay believes it has good relations with its employees and with their unions, production at Mandalay's mining operations is dependent upon the continuous efforts of Mandalay's employees. In addition, relations between Mandalay and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions Mandalay carries on business. Labour disruptions or any changes in labour or employment legislation or in the relationship between Mandalay and its employees may have a materially adverse effect on Mandalay's business, results of operations and financial condition.

# Mandalay conducts operations through its wholly owned foreign subsidiaries, and substantially all of Mandalay's assets are held through these entities.

Accordingly, any governmental limitation on the transfer of cash or other assets between Mandalay and its wholly owned subsidiaries could restrict Mandalay's ability to fund its operations efficiently. Any such limitations or the perception that such limitations may exist now or in the future could have an adverse impact on Mandalay's prospects, financial condition and results of operations. Mandalay may be subject to litigation. All industries, including the mining industry, are subject to legal claims, with and without merit.

# The Company may become involved in legal disputes in the future.

Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a materially adverse effect on the Company's financial position or results of operations.

# Mandalay prepares estimates of future production, total cash costs and capital costs of production for particular operations.

No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on Mandalay's future cash flows, profitability, results of operations and financial condition. Mandalay's actual production and costs may vary from estimates for a variety of reasons, including: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to mineral or ore reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; revisions to mine plans; unusual or unexpected ore body formations; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labour shortages or strikes. Costs of production may also be affected by a variety of factors, including changing waste-to-ore ratios, ore grade metallurgy, labour costs, the cost of commodities, general inflationary pressures and currency exchange rates.

# Global financial conditions may negatively impact Mandalay's operations and share price.

Current global financial conditions have been characterized by increased volatility, particularly the markets for commodities, including gold. Access to public financing has been negatively impacted by several factors, including efforts by financial institutions to deleverage their balance sheets in the face of current economic conditions. These factors may impact the ability of Mandalay to obtain equity or debt financing in the future on terms favourable to Mandalay. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If Mandalay had to idle any of its producing properties or delay the development of any project, there is no assurance that it would be able to restart production or development without undue delay, if at all. If such increased levels of volatility and market turmoil

continue, Mandalay's operations could be adversely impacted, and the trading price of its common shares may be adversely affected.

# Internal controls provide no absolute assurances as to the reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement.

The Company's Audit and Risk Committee actively oversees the monitoring of any identified deficiencies and weaknesses in internal controls, as well as the risks they create for the Company. The Audit and Risk Committee, and more generally the Board, oversees the timely remediation of any weaknesses and, in the interim, the mitigation of the related risks. In consultation with the Company's internal auditors, as well as the Board, the Audit and Risk Committee monitors and evaluates, among other things, the following on an ongoing basis: (i) the effectiveness of internal controls; (ii) the materiality of, and potential risks that may arise from, any deficiencies or weaknesses in internal controls; (iii) how any such deficiencies and weaknesses can be remediated; (iv) management's plan and timeframe for any such remediation; (v) the status of any ongoing remediation plans of the Company; and (vi) whether any interim measures should be adopted prior to the completion of any remediation. The material weakness will not be considered remediated, however, until the applicable controls operate for a sufficient period and management has concluded, through testing, that these controls are operating effectively. If the Company fails to maintain the adequacy of its internal control over financial reporting, as either the Company's or the applicable regulatory standards are modified, supplemented, or amended from time to time, then the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. If in the future the Company is required to disclose a material weakness in its internal controls over financial reporting, then this could result in the loss of investor confidence in the reliability of the Company's financial statements, which in turn could harm the Company's business and negatively impact the trading price of its common shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations.

# Climate change-related risks.

Climate change is one of the most complex challenges facing the world today. It is a global, multidimensional problem. Climate-related risks are typically categorized as transitional risks and physical risks, the latter risks being further subdivided into acute physical risks (severe and short-term) and chronic physical risks (long-term and gradual in nature). Acute physical climate risks are typically witnessed in the form of extreme weather and weather-related events, such as tropical storms, wildfires, droughts and flooding, whereas chronic physical climate risks refer to enduring changes and shifts in average air or land temperatures, water acidification, soil quality and other persistent trends. Because of climate change, the Company and the broader gold mining industry faces new geotechnical risks, which could adversely impact the Company's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as landslides, droughts, pit wall failures and rock fragility, may occur in the future and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict and are often affected by risks and hazards outside of the Company's control, such as seismic activity, extreme severe weather events and considerable rainfall, which may lead to periodic floods, mudslides and embankment instability, and which could potentially result in, among other things, slippage of material. Geotechnical failures could result in limited or restricted access to mine sites, suspension of operations, government investigations, increased monitoring costs, remediation costs, loss of ore and other impacts, including financial liability, which could cause one or more of the Company's projects to be less profitable than currently anticipated and could result in a materially adverse effect on the Company's results of operations and financial position. Furthermore, the occurrence of physical

climate change events may result in substantial costs to respond to and/or recover from an event, and to prevent recurrent damage, through either the modification of, or addition to, existing infrastructure at the Company's operations. The scientific community has predicted an increase, over time, in the frequency and severity of extraordinary or catastrophic natural phenomena as a result of climate change.

The Company can provide no assurance that it will be able to predict, respond to, measure, monitor or manage the risks posed as a result. The in-combination and cumulative effects of more than one physical climate risk can create a compounding or cascading set of risks which, together, can impose a far greater overall level of risk on mining operations. For example, the risk of flash flooding from extreme rainfall (an acute impact) is significantly magnified by long-term dry weather (a chronic impact) reducing the ground's ability to absorb water. Similarly, the combined effects of warmer average temperatures and greater wind speeds, resulting in increased dust levels, may likely shorten the operational life span of machinery. Interconnected climate impacts may also affect communities that reside outside of usual risk assessment boundaries. While these risks may be indirect to our operations and mine sites, their magnitude may significantly affect our operations. For example, local communities will share climate change conditions with neighbouring mines and acute and chronic climate change risks may negatively affect employee welfare, social wellbeing and local economy stability which may, in turn, raise challenges for mine sites, even if they have proven to be relatively unaffected by a particular impact or hazard. Also, the geography of our mine sites located in remote locations with limited and/or fragile infrastructure, means that the Company may find itself at the "front line" of climate change risks and efforts to manage their potential physical consequences. In addition, as climate change is increasingly perceived as a broad societal and community concern, stakeholders may increase demands for emissions reductions and call upon mining companies to better manage their consumption of climate-relevant resources. Physical climate change events, and the trend toward more stringent regulations aimed at reducing the effects of climate change, could impact the Company's decisions to pursue future opportunities or maintain existing operations, which could have an adverse effect on its business and future operations. The Company can provide no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on its operations and profitability.

# Environmental, health and safety regulations.

Mandalay's mining and processing operations and development and exploration activities are subject to extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development, water management and protection of endangered and other special status species.

Failure to comply with applicable environmental and health and safety laws and regulations could result in injunctions, fines, suspension or revocation of permits and other penalties. While Mandalay strives to achieve full compliance with all such laws and regulations and with its environmental and health and safety permits, there can be no assurance that Mandalay will at all times be in full compliance with such requirements. Activities required to achieve full compliance can be costly and involve extended timelines. Failure to comply with such laws, regulations and permits will create reputational risks for the Company and can have serious consequences, including: stopping Mandalay from proceeding with the development of a project; negatively impacting the operation or further development of a mine; or increasing the costs of development or production and litigation or regulatory action against Mandalay, and may materially adversely affect Mandalay's business, results of operations or financial condition. Future changes in applicable environmental and health and safety laws and regulations, such as the imposition of a carbon tax, could substantially increase costs and burdens to achieve compliance or otherwise have an adverse impact on Mandalay's business, results of operations or financial condition. Mandalay may also be held responsible for the costs of addressing contamination at the site of current or former activities or at third party sites. Mandalay could also be held liable to third parties for exposure to hazardous substances. The costs associated with such responsibilities and liabilities may be significant. While Mandalay has implemented extensive health and safety initiatives at its sites to protect the health and safety of its employees, contractors and members of the communities affected by its operations, there is no guarantee that such measures will eliminate the occurrence of accidents or other incidents which may result in personal injuries or damage to property, and in certain instances such occurrences could give rise to regulatory fines and/or civil liability.

# Public health risks.

The Corporation's business, operations and financial condition could be materially adversely affected by the outbreak of epidemics or pandemics or other health crises.

Such public health crisis could result in volatility and disruption to global supply chains, trade and market sentiment, mobility of people, and global financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions and results of operations, and other factors relevant to the Corporation. The risks to the Corporation of such public health crises also include risks to employee health and safety, labor shortages, a slowdown or suspension of operations, additional non-compensable costs, or could result in the cancellation of contracts, as well as supply chain disruptions that could negatively impact the Corporation's business, financial condition, and results of operations.

# Supply chain risks.

Ongoing various global conflicts in Ukraine, Gaza and elsewhere continues to disrupt supply chains and cause instability in the global economy. Some of the conflicts have resulted in imposition of economic sanctions, others have hindered high volume sea transport corridors, all of which have had an adverse effect on economic markets, including global supply and pricing of energy, precious metals, raw materials and other commodities and components. The short and long-term implications of the conflict are difficult to predict at this time.

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

#### Mining risks and insurance risks.

The mining industry is subject to significant risks and hazards, including environmental hazards, industrial accidents, catastrophic equipment failures, unusual or unexpected geological conditions, labour force disruptions, civil strife, unavailability of materials and equipment, weather conditions, pit wall failures, tailings dam failures, rock bursts, cave-ins, flooding, seismic activity, and water conditions, most of which are beyond Mandalay's control. Mandalay is also exposed to theft or loss of gold bullion or gold concentrate. These risks and hazards could result in damage to, or destruction of, mineral properties or producing facilities; personal injury or death; environmental damage; delays in mining; and monetary
losses and possible legal liability. As a result, production may fall below historic or estimated levels and Mandalay may incur significant costs or experience significant delays that could have a materially adverse effect on Mandalay's financial performance, liquidity, and results of operations. Mandalay maintains insurance to cover some of these risks and hazards. The insurance is maintained in amounts that are believed to be reasonable depending on the circumstances surrounding the identified risk. No assurance can be given that such insurance will continue to be available, or that it will be available at economically feasible premiums, or that Mandalay will obtain or maintain such insurance. Mandalay's property, liability and other insurance may not provide sufficient coverage for losses related to these or other risks or hazards. In addition, Mandalay does not have coverage for certain environmental losses and other risks, as such coverage cannot be purchased at a commercially reasonable cost. The lack or insufficiency of insurance coverage could adversely affect Mandalay's cash flow and overall profitability.

# Geotechnical challenges could impact profitability.

Mandalay and the mining industry are facing continued geotechnical challenges associated with the aging of certain mines and the need to mine deeper pits and more complex deposits. This leads to more complex underground operations and increased exposure to geotechnical instability. As Mandalay's operations mature, the open pit and underground operations at certain sites are getting deeper. Mandalay has experienced geotechnical failures at some open pit operations and seismic events at some underground operations. Seismic events may also affect mining operations in other ways, such as damage to critical infrastructure. No assurances can be given that unanticipated adverse geotechnical conditions, such as wall failures, underground cave-ins, and other ground related instability, will not occur in the future or that such events will be detected in advance. Geotechnical instabilities can be difficult to predict and are often affected by risks beyond Mandalay's control, such as severe weather, higher than average rainfall and seismic events The failure of tailings dam and storage facilities, and other impoundments at Mandalay's mine sites, could cause severe and potentially catastrophic damage to property, the environment, persons, and Mandalay's reputation. The Company regularly reviews and inspects all Mandalay-owned or controlled tailings storage facilities for compliance with applicable legal requirements and global best practices; however, there can be no assurance that these events will not occur in the future. Geotechnical or tailings storage facility failures can result in limited access to mine sites, suspension of operations, production delays, government investigations, increased costs, as well as injuries and deaths in the most extreme cases.

# Trade restriction risks.

Mandalay produces an antimony-gold concentrate at its Costerfield Property, which is sold to two primary customers in China. In September 2024, China imposed export restrictions on antimony, significantly tightening global supply and causing international prices to surge. The resulting ban has created market price dislocation, pricing volatility, regulatory uncertainty, and heightened competition for access to high-valued markets outside China. If Mandalay is required to seek alternative refining partners or markets, it may face logistical challenges, increased costs, and/or lower gold/antimony payables. There is no assurance that Mandalay will be able to fully mitigate these risks, which could adversely affect its revenues, sales strategy, and profitability.

# 7. DIVIDENDS

The Corporation has not paid any dividend in the three most recently completed financial years and was restricted from paying dividends according to the terms and conditions of the Syndicated Facility.

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# 8. CAPITAL STRUCTURE

## **Common Shares**

The authorized capital of Mandalay is an unlimited number of Common Shares, of which 94,662,503 were issued as of March 28, 2025. The holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders, with each Common Share entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of Common Shares are entitled to dividends if and when declared by the Board. The holders of Common Shares are entitled, upon the liquidation, dissolution or winding up of Mandalay, to receive the remaining assets of Mandalay available for distribution to shareholders.

# **Omnibus Equity Incentive Plan**

On May 20, 2020, the shareholders of the Corporation approved a rolling Omnibus Equity Incentive Plan (the "Omnibus Plan") which provides flexibility to the Corporation 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 Corporation's Management Information Circular dated April 3, 2020. The Omnibus Plan replaced the Corporation's Stock Option Plan (the "**Option 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 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 Corporation had established the Option Plan as a "rolling" stock option plan in compliance with the TSX's policy for granting stock options. The exercise price of each stock option shall not be less than the market price of the Corporation's stock at the date of grant. Stock options generally vest over three years. Stock options have a maximum term of up to seven years.

| Issue Date        | Exercise Price CDN\$ | Number of Options | Expiry Date   |
|-------------------|----------------------|-------------------|---------------|
| February 26, 2024 | 1.47                 | 1,099,452         | June 30, 2031 |
| May 12, 2023      | 2.43                 | 88,043            | June 30, 2030 |
| February 23, 2023 | 2.63                 | 164,191           | June 30, 2030 |
| February 24, 2022 | 2.65                 | 184,292           | June 30, 2029 |
| February 25, 2021 | 2.14                 | 85,367            | June 30, 2028 |
| March 20, 2020    | 0.61                 | 100,000           | June 30, 2027 |
| April 8, 2019     | 1.10                 | 20,000            | June 30, 2026 |
| April 2, 2018     | 2.00                 | 12,000            | June 30, 2025 |

As at December 31, 2024, the following stock options were issued and outstanding:

During 2024, 1,286,593 stock options were exercised, while 13,334 were exercised in 2023. There were 1,753,345 stock options outstanding as of December 31, 2024, which could result in the issuance of common shares.

# RSUs

The Corporation grants RSUs to certain employees pursuant to the Omnibus Plan. Those employees granted RSUs will receive the Corporation's common shares at no cost or a cash payment equal to the market value of such shares upon settlement. RSUs are subject to vesting over three years. Each RSU is equivalent in value to one common share.

# As at December 31, 2024, the following RSUs were issued and outstanding:

|                                  | Number of RSU Awards |
|----------------------------------|----------------------|
| Outstanding at December 31, 2023 | 282,040              |
| Granted                          | 911,400              |
| Redeemed                         | (140,068)            |
| Forfeited                        | (11,655)             |
| Outstanding at December 31, 2024 | 1,041,717            |

## PSUs

The Corporation grants PSUs to certain employees pursuant to the Omnibus Plan. Those employees granted PSUs will receive the Corporation'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 Corporation'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.

As at December 31, 2024, the following PSUs were issued and outstanding:

|                            | Number of<br>PSU Awards |
|----------------------------|-------------------------|
| Balance, December 31, 2023 | 788,968                 |
| Granted                    | -                       |
| Redeemed                   | (280,076)               |
| Forfeited                  | (23,311)                |
| Balance, December 31, 2024 | 485,581                 |

# DSUs

Non-executive directors are granted DSUs as part of their compensation, pursuant to the Omnibus Plan. Those directors granted DSUs will receive the Corporation's common shares at no cost following their departure from the board. Each DSU entitles the holder to one common share.

As at December 31, 2024, the following DSUs were issued and outstanding:

|                            | Number of<br>DSU Awards |
|----------------------------|-------------------------|
| Balance, December 31, 2023 | 422,827                 |
| Granted                    | 244,398                 |
| Redeemed                   | (178,523)               |
| Balance, December 31, 2024 | 488,702                 |

# 9. MARKET FOR SECURITIES

The Common Shares trade on the TSX under the symbol "**MND**". Information concerning the trading prices and volumes of the Common Shares on the TSX and Over-the-Counter Markets ("**OTC**") during fiscal 2024 is set out below.

| Month          | High<br>CDN (\$) | Low<br>CDN (\$) | Close<br>CDN (\$) | Total Monthly<br>Volume |
|----------------|------------------|-----------------|-------------------|-------------------------|
| January 2024   | 1.96             | 1.48            | 1.63              | 1,148,526               |
| February 2024  | 1.68             | 1.36            | 1.50              | 1,142,756               |
| March 2024     | 1.66             | 1.41            | 1.48              | 696,574                 |
| April 2024     | 2.41             | 1.50            | 2.29              | 1,347,072               |
| May 2024       | 2.42             | 2.06            | 2.29              | 1,009,041               |
| June 2024      | 2.35             | 1.92            | 2.17              | 342,916                 |
| July 2024      | 2.68             | 2.10            | 2.55              | 984,569                 |
| August 2024    | 3.14             | 2.21            | 2.91              | 1,274,441               |
| September 2024 | 3.57             | 2.74            | 3.32              | 1,601,934               |
| October 2024   | 3.53             | 2.98            | 3.40              | 1,587,324               |
| November 2024  | 3.70             | 3.11            | 3.60              | 1,792,475               |
| December 2024  | 4.91             | 3.51            | 3.94              | 4,138,568               |

# 10. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The Corporation does not have any securities subject to regulatory escrow, or any securities subject to any contractual restriction on transfer.

# 11. DIRECTORS AND OFFICERS

The following table sets forth the name, province or state, country of residence, position held with the Corporation and principal occupation of each of the directors and executive officers of the Corporation as of the date of this Annual Information Form:

| Name, Province/State and<br>Country of Residence | Position with the<br>Corporation | Principal Occupation <sup>(1)(2)</sup> | Director/Officer Since |
|--|----------------------------------|--|------------------------|
| Bradford A. Mills (3)                            | Chair                            | Chair of the Mandalay                  | September 2009         |
| Texas, United States                             |                                  | Board                                  |                        |
| Amy Freedman <sup>(4)(5)</sup>                   | Lead Independent Director        | Independent Advisor                    | May 2016               |
| Ontario, Canada                                  |                                  | Corporate Director                     |                        |
| Dominic Duffy <sup>(3) (6)</sup>                 | Director                         | Corporate Director                     | Director: May 2018     |
| Victoria, Australia                              |                                  |  |                        |
| John Jentz <sup>(4)</sup>                        | Director                         | Corporate Director                     | October 2024           |
| Ontario, Canada                                  |                                  |  |                        |
| Julie Galloway <sup>(3)(5)</sup>                 | Director                         | Corporate Legal Counsel                | May 2021               |
| Ontario, Canada                                  |                                  |  |                        |
| Robert Doyle <sup>(4)(5)</sup>                   | Director                         | Corporate Director                     | April 2010             |
| Ontario, Canada                                  |                                  |  |                        |
| Frazer Bourchier                                 | Director, President and Chief    | President and Chief                    | Director: April 2023   |
| Ontario, Canada                                  | Executive Officer                | Executive Officer of the               | Officer: April 2023    |
|  |                                  | Corporation                            |                        |
| Scott Trebilcock                                 | EVP & Chief Development          | Chief Development Officer              | Officer: November 2023 |
| British Columbia, Canada                         | Officer                          | of the Corporation                     |                        |

| Name, Province/State and<br>Country of Residence | Position with the<br>Corporation | Principal Occupation <sup>(1)(2)</sup> | Director/Officer Since |
|--|----------------------------------|--|------------------------|
| Hashim Ahmed                                     | EVP & Chief Financial Officer    | Chief Financial Officer of the         | Officer: March 2024    |
| Ontario, Canada                                  |                                  | Corporation                            |                        |
| Ryan Austerberry (7)                             | Chief Operating Officer          | Chief Operating Officer of             | Officer: December 2022 |
| Victoria, Australia                              |                                  | the Corporation                        |                        |
| Chris Davis <sup>(8)</sup>                       | VP, Operational Geology and      | VP, Operational Geology                | Officer: February 2020 |
| Victoria, Australia                              | Exploration                      | and Exploration of the                 |                        |
|  |                                  | Corporation                            |                        |
| Jasmine Virk                                     | Senior Director of Corporate     | Senior Director of Corporate           | Corporate Secretary:   |
| Ontario, Canada                                  | Affairs and Corporate            | Affairs and Corporate                  | March 2017             |
|  | Secretary                        | Secretary of the                       |                        |
|  |                                  | Corporation                            |                        |

1. The information in this table is supplied by the directors and officers of the Corporation.

2. The information provided reflects the principal occupation of the individual over the preceding five years.

3. Member of Technical and Sustainability Committee (the "TSC").

4. Member of the Corporation's Audit Committee (the "Audit Committee").

5. Member of Compensation, Corporate Governance and Nominating Committee.

6. Dominic Duffy transitioned from President and Chief Executive Officer to Director on April 3, 2023.

7. On December 15, 2022, Mr. Austerberry transitioned from General Manager, Costerfield to Chief Operating Officer.

8. On February 1, 2020, Mr. Davis transitioned from Chief Geologist to Vice President, Operational Geology & Exploration.

The term of office for each director of the Corporation will expire upon the completion of the next annual meeting of shareholders of the Corporation.

As of March 28, 2025, the directors and executive officers of the Corporation, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 24,765,902 Common Shares, representing approximately 26.16% of the outstanding Common Shares. The information as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors and executive officers, but which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors and officers.

#### Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To our knowledge, no director or executive officer of the Corporation, or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation: (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date hereof, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, except for the following:

Bradford A. Mills was a director of Rambler Metals and Mining Canada Limited ("Rambler Canada"). On February 28, 2023, Rambler Canada, and certain of its affiliates, obtained an initial order from the Supreme Court of Newfoundland and Labrador and commenced proceedings pursuant to the *Companies Creditors Arrangement Act* (Canada) pursuant to which Rambler Canada and its affiliates intend to develop and implement a sale and investment solicitation process supervised by the court and Grant Thorton Limited, as monitor. The proceedings were wound up and completed by December 11, 2023.

- Frazer Bourchier was the President & Chief Executive Officer and a director of Harte Gold Corp. ("Harte"), which sought and obtained an initial order under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "CCAA") on December 7, 2021. On February 28, 2022, Harte announced that its previously announced sale and investment solicitation process (the "Transaction") was completed with a subsidiary of Silver Lake Resources Limited ("Silver Lake"). Following completion of the Transaction, Harte became a wholly-owned subsidiary of Silver Lake and emerged from the CCAA proceedings. All of the directors and officers of Harte resigned effective upon closing of the Transaction.
- John Jentz was a director of North American Palladium Inc. (now, Impala Canada Ltd.) prior to the completion of a recapitalization transaction that was completed on August 6, 2015 (the "**Recapitalization**"). The Recapitalization was approved at a meeting of the convertible debenture holders of North American Palladium Inc. and at an annual and special meeting of shareholders held on July 30, 2015. The Recapitalization was accomplished by way of a plan of arrangement and resulted in the issuance of shares in exchange for debt, among other things, to creditors.

To our knowledge, no director or executive officer of the Corporation is, as at the date hereof or has been, within the 10 years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any Corporation (including the Corporation), that:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or
- (b) was subject to a cease trade or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

To our knowledge, no director or executive officer of the Corporation, or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (c) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

# **Conflicts of Interest**

Certain of the directors and officers of the Corporation and its subsidiaries also serve as directors, officers and/or advisors of and to other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Corporation expects that any decision made by any director or officer involving the Corporation will be made in accordance with such director or officer's duties and obligations to deal fairly and in good faith with a view to the best interests of the Corporation and its shareholders. In addition, each director of the Corporation is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in the BCBCA and applicable laws.

# 12. Audit Committee Information

# **12.1** Description of the Audit Committee

The Audit Committee assists the Mandalay Board in fulfilling its oversight responsibilities with respect to the following: (i) the quality and integrity of the financial statements of the Corporation; (ii) the compliance by the Corporation with legal and regulatory requirements in respect of financial disclosure; (iii) the qualification, independence and performance of the Corporation's independent auditor; (iv) the assessment, monitoring and management of the strategic, operational, reporting and compliance risks of the Corporation's business; and (v) the performance of the Corporation's Chief Financial Officer. The Audit Committee's charter is set out in Schedule "**B**" to this Annual Information Form.

As of the date of this Annual Information Form, the members of the Audit Committee are: (i) Robert Doyle; (ii) John Jentz; and (iii) Amy Freedman. All members of the Audit Committee are, for the purposes of National Instrument 52-110 - *Audit Committees*, independent and financially literate. The following is a description of the education and experience of each member of the committee that is relevant to the performance of such member's responsibilities as a member of the Audit Committee.

# **Robert Doyle**

Mr. Doyle has over 40 years of experience in all facets of international resource exploration, development and production. Mr. Doyle was as a director of Golden Star Resources Ltd. He was Chief Executive Officer of Medoro Resources Limited until October 2009 and was Executive Vice President prior to that. Previously, Mr. Doyle was Chief Financial Officer of a number of companies including Pacific Stratus Energy Corp., Coalcorp Mining Inc., Bolivar Gold Corp. and HMZ Metals Inc., Lac Minerals and Falconbridge Limited. In addition, he was previously a gold market analyst at RBC Capital Markets and Credit Suisse First Boston. Mr. Doyle holds CPA, CA and C.Dir designations and graduated with a HBA in Business Administration from the Ivey School of Business, University of Western Ontario.

# John Jentz

Mr. Jentz brings over 20 years of experience in mining operations, board governance and M&A investment banking. Among his significant contributions to the industry is his role in the growth of SEMAFO, a gold mining company that successfully acquired, developed, and operated four mines, leading to its eventual C\$1 billion sale. Mr. Jentz holds an HBSc degree from the University of Western Ontario, and MBA from McMaster University, and is Chartered Professional Accountant (CPA).

# Amy Freedman

Ms. Freedman is an experienced strategic advisor with over 25 years of experience in the public capital markets. She currently is a Partner at Longacre Square Partners, a leading strategic advisory and communications firm based in New York with offices in Toronto. Ms. Freedman is a Director of Irish Residential REIT. American Hotel Income Properties REIT and Bitfarms Ltd. Previously, Ms. Freedman was a director of Park Lawn Corporation and Canaccord Genuity Group Inc. Prior to Longacre Square, Ms. Freedman was a Partner at Ewing Morris Asset Management and the CEO of Kingsdale Advisors, a leading shareholder services and advisory firm specializing in strategic and defensive advisory, governance advisory, proxy and voting analytics and investor communication. Prior to Kingsdale Ms. Freedman spent

over 15 years in capital markets as an investment banker with global firms including Stifel and Morgan Stanley in both Toronto and New York. Ms. Freedman holds an MBA and JD from the University of Toronto.

# **12.2** External Auditor Service Fees

Fees paid to Mandalay's auditor, KPMG for 2024 and 2023 were as follows:

|                    | 2024 (CDN\$) | 2023 (CDN\$) |
|--------------------|--------------|--------------|
| Audit Fees         | 974,449      | 642,097      |
| Audit-related Fees | 325,169      | -            |
| Tax Fees           | 66,000       | 69,477       |
| All other Fees     | -            | 23,449       |
| Total Fees         | 1,365,618    | 735,023      |

1. "Audit Fees" – the aggregate fees billed by the issuer's external auditor in each of the last two fiscal years for audit services.

2. "Audit-related Fees" – the aggregate fees billed in each of the last two fiscal years for assurance and related services by the issuer's external auditor that are reasonably related to the performance of the audit or review of the issuer's financial statement and are not reported under clause (a) above. Include a description of the nature of the services comprising the fees disclosed under this category.

3. "Tax Fees" – the aggregate fees billed in each of the last two fiscal years for assurance and related services by the issuer's external auditor for tax compliance, tax advice, and tax planning. Include a description of the nature of the services comprising the fees disclosed under this category.

4. "All Other Fees" – the aggregate fees billed in each of the last two fiscal years for products and services provided by the issuer's external auditor other than the services reported under clauses (a), (b) and (c) above. Include a description of the nature of the services comprising the fees disclosed under this category.

## 13. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As at the date of this Annual Information Form, there are no material legal proceedings against or by the Corporation and no regulatory actions against the Corporation.

#### 14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Annual Information Form, since January 1, 2024, no director, executive officer or 10% shareholder of the Corporation or any associate or affiliate of any such person or Corporation, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries.

#### **15. TRANSFER AGENTS AND REGISTRARS**

The Corporation's transfer agent and registrar is Computershare Investor Services Inc., and its office is in Toronto, Ontario.

#### **16. MATERIAL CONTRACTS**

Except for contracts entered into in the ordinary course of business and not required to be filed under Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), there are no contracts which are regarded as material entered into by the Corporation within fiscal 2024 or before fiscal 2024 but still in effect.

# **17.** INTERESTS OF EXPERTS

# **17.1** Names of Experts

The persons referred to below have been named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 during, or relating to, the Corporation's financial year ended December 31, 2024.

KPMG LLP is the auditor of Mandalay and is independent within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

The Costerfield Technical Report was prepared by SRK Consulting and authored by Cael Gniel, BSc (Geosciences and Chemistry), MAIG, RPGeo (Mineral Resource Estimation); Robert Urie, [BEng (Mining Engineering), GCert (Applied Finance), FAusIMM and Carla Kaboth, BEng Hons (Mineral Processing), FAusIMM(CP), RPEQ.

The Björkdal Technical Report, was prepared by SLR and authored by Reno Pressacco, M.Sc.(A), P.Geo., FGC, Rick Taylor, MAusIMM, CP, Arunasalam Vathavooran, Ph.D., CEng, FIMMM and Ben Lepley, MESci, CGeol, MIMMM.

# **17.2** Interests of Experts

To the knowledge of the Corporation, the persons above, as a group, beneficially owned, or controlled or directed, directly or indirectly, less than 1% of the issued and outstanding Common Shares, at the time of or after such person prepared the statement, report or valuation, and none of the persons above is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

# 18. ADDITIONAL INFORMATION

Additional financial information and information regarding directors' and officers' remuneration and indebtedness, principal holders of Common Shares and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Corporation's financial statements and management's discussion and analysis for the fiscal year ended December 31, 2024, and management information circular dated April 18, 2024, which are available on the Corporation's SEDAR+ profile.

# **SCHEDULE A**

## MANDALAY RESOURCES CORPORATION

# (the "Corporation")

## AUDIT COMMITTEE CHARTER

#### PURPOSE

The Audit Committee is appointed by the Board of Directors to assist the Board of Directors in its oversight and evaluation of:

- the quality and integrity of the financial statements of the Corporation,
- the compliance by the Corporation with legal and regulatory requirements in respect of financial disclosure,
- the qualification, independence and performance of the Corporation's independent auditor,
- the assessment, monitoring and management of the strategic, operational, reporting and compliance risks of the Corporation's business (the "Risks"), and
- the performance of the Corporation's Chief Financial Officer.

In addition, the Audit Committee provides an avenue for communication between the independent auditor, the Corporation's Chief Financial Officer and other financial senior management, other employees and the Board of Directors concerning accounting, auditing and Risk management matters.

The Audit Committee is directly responsible for the recommendation of the appointment and retention (and termination) and for the compensation and the oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between senior management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Corporation.

The Audit Committee is not responsible for:

- planning or conducting audits,
- certifying or determining the completeness or accuracy of the Corporation's financial statements or that those financial statements are in accordance with generally accepted accounting principles.

Each member of the Audit Committee shall be entitled to rely in good faith upon:

• financial statements of the Corporation represented to him or her by senior management of the Corporation or in a written report of the independent auditor to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles; and

• any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

"Good faith reliance" means that the Audit Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by senior management or the expert is reasonable. Generally, good faith reliance does not require that the member question the honesty, competence and integrity of senior management or the expert unless there is a reason to doubt their honesty, competency and integrity.

The fundamental responsibility for the Corporation's financial statements and disclosure rests with senior management. It is not the duty of the Audit Committee to conduct investigations, to itself resolve disagreements (if any) between senior management and the independent auditor or to assure compliance with applicable legal and regulatory requirements.

In discharging its obligations under this Charter, the Audit Committee shall act in accordance with its fiduciary duties.

#### REPORTS

The Audit Committee shall report to the Board of Directors on a regular basis and, in any event, before the public disclosure by the Corporation of its annual financial results. The reports of the Audit Committee shall include any issues of which the Audit Committee is aware with respect to the quality or integrity of the Corporation's financial statements, its compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent auditor and changes in Risks.

The Audit Committee also shall prepare, as required by applicable law, any audit committee report required for inclusion in the Corporation's publicly filed documents.

#### COMPOSITION

The members of the Audit Committee shall be three or more individuals who are appointed (and may be replaced) by the Board of Directors on the recommendation of the Corporation's Corporate Governance and Nominating Committee. The appointment of members of the Audit Committee shall take place annually at the first meeting of the Board of Directors after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Audit Committee is not so made, the directors who are then serving as members of the Audit Committee shall continue as members of the Audit Committee until their successors are appointed. The Board of Directors may appoint a member to fill a vacancy that occurs in the Audit Committee between annual elections of directors. Any member of the Audit Committee may be removed from the Audit Committee by a resolution of the Board of Directors. Unless the Chair is elected by the Board of Directors, the members of the Audit Committee may designate a Chair by majority vote of the members of the Audit Committee.

Each of the members of the Audit Committee shall meet the Corporation's Categorical Standards for Determining Independence of Directors and shall be financially literate (or acquire that familiarity within a reasonable period after appointment) in accordance with applicable legislation and stock exchange requirements. No member of the Audit Committee shall:

- accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Corporation or any of its subsidiaries<sup>1</sup> (other than remuneration for acting in his or her capacity as a director or committee member) or be an "affiliated person"<sup>2</sup> of the Corporation or any of its subsidiaries, or
- concurrently serve on the audit committee of more than three other public companies without the prior approval of the Board of Directors and their determination that such simultaneous service would not impair the ability of the member to effectively serve on the Audit Committee (which determination shall be disclosed in the Corporation's annual management information circular).

# RESPONSIBILITIES

# Independent Auditor

The Audit Committee shall:

- Recommend the appointment and the compensation of, and, if appropriate, the termination of the independent auditor, subject to such Board of Directors and shareholder approval as is required under applicable legislation and stock exchange requirements.
- Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Audit Committee and the Board of Directors.
- Oversee the work of the independent auditor, including the resolution of any disagreements between senior management and the independent auditor regarding financial reporting.
- Pre-approve all audit and non-audit services (including any internal control-related services) provided by the independent auditor (subject to any restrictions on such non-audit services imposed by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators).
- Adopt such policies and procedures as it determines appropriate for the pre-approval of the retention of the independent auditor by the Corporation and any of its subsidiaries for any audit or non-audit services, including procedures for the delegation of authority to provide such approval to one or more members of the Audit Committee.
- Provide notice to the independent auditor of every meeting of the Audit Committee.
- Approve all engagements for accounting advice prepared to be provided by an accounting firm other than independent auditor.

<sup>&</sup>lt;sup>1</sup> A company is a subsidiary of another company if it is controlled, directly or indirectly, by that other company (through one or more intermediaries or otherwise).

 $<sup>^{2}</sup>$  An "affiliate" of a person is a person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the first person.

• Review quarterly reports from senior management on tax advisory services provided by accounting firms other than the independent auditor.

#### The Audit Process, Financial Statements and Related Disclosure

The Audit Committee shall:

- Meet separately and periodically with senior management and/or the independent auditor to review and discuss,
  - the planning and staffing of the audit by the independent auditor,
  - before public disclosure, the Corporation's annual audited financial statements and quarterly financial statements, the Corporation's accompanying disclosure of Management's Discussion and Analysis and earnings press releases and make recommendations to the Board of Directors as to their approval and dissemination of the annual financial statements and accompanying disclosure,
  - financial information and earnings guidance provided to analysts and rating agencies: this review need not be done on a case-by-case basis but may be done generally (consisting of a discussion of the types of information disclosed and the types of presentations made) and need not take place in advance of the disclosure,
  - any significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Corporation's financial statements,
  - o all critical accounting policies and practices used,
  - all alternative treatments of financial information within GAAP or IFRS, as applicable that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor,
  - o the use of "pro forma" or "adjusted" non-GAAP or non-IFRS, as applicable information,
  - the effect of new regulatory and accounting pronouncements,
  - the effect of any material off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise) on the Corporation's financial statements,
  - any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Audit Committee in connection with certification of forms by the Chief Executive Officer and/or the Chief Financial Officer for filing with applicable securities regulators, and
  - the adequacy of the Corporation's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel (including any fraud involving an individual with a significant role in internal

controls or management information systems) and any special steps adopted in light of any material control deficiencies.

- Review disclosure of financial information extracted or derived from the Corporation's financial statements.
- Review with the independent auditor,

the quality, as well as the acceptability of the accounting principles that have been applied,

any problems or difficulties the independent auditor may have encountered during the provision of its audit services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with senior management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to senior management and the Corporation's response to that letter or communication, and

any changes to the Corporation's significant auditing and accounting principles and practices suggested by the independent auditor or other members of senior management.

## **Enterprise Risk Management**

The Audit Committee will oversee management's identification and monitoring of risks related to financial systems and reporting and recommending strategies to mitigate against such risks.

# Compliance

The Audit Committee shall:

- Review with senior management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Corporation's financial statements or accounting policies.
- Review senior management's written representations to the independent auditor.
- Review with the Corporation's General Counsel (or, if the Corporation does not have a General Counsel, its principal external legal advisors) legal matters that may have a material impact on the financial statements, the Corporation's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
- Establish procedures for,
  - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and
  - the confidential, anonymous submission by employees of the Corporation with concerns regarding any accounting or auditing matters.

# Delegation

To avoid any confusion, the Audit Committee responsibilities identified above are the sole responsibility of the Audit Committee and may not be allocated by the Board of Directors to a different committee without revisions to this Charter.

#### MEETINGS

The Audit Committee shall meet at least quarterly and more frequently as circumstances require. All members of the Audit Committee should strive to be at all meetings. The Audit Committee shall meet separately, periodically, with senior management and the independent auditor and may request any member of the Corporation's senior management or the Corporation's outside counsel or independent auditor to attend meetings of the Audit Committee or with any members of, or advisors to, the Audit Committee. The Audit Committee also may meet with the investment bankers, financial analysts and rating agencies that provide services to, or follow, the Corporation. The Audit Committee will also meet *in camera* at each of its regularly scheduled meetings.

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine. The powers of the Audit Committee may be exercised at a meeting at which a quorum of the Audit Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Audit Committee. Each member (including the Chair) is entitled to one (but only one) vote in Audit Committee proceedings.

Meetings of the Audit Committee shall be held from time to time and at such place as a member of the Audit Committee may request upon 48 hours prior notice. The notice period may be waived by a quorum of the Audit Committee.

Except as otherwise provided in this Charter, the Audit Committee may form and delegate authority to individual members and subcommittees of the Audit Committee where the Audit Committee determines it is appropriate to do so.

#### **INDEPENDENT ADVICE**

In discharging its mandate, the Audit Committee shall have the authority to retain (and authorize the payment by the Corporation of) and receive advice from special legal, accounting or other advisors as the Audit Committee determines to be necessary to permit it to carry out its duties.

#### ANNUAL EVALUATION

Annually, or more frequently at the request of the Chief Executive Officer as a result of legislative or regulator changes, the Audit Committee shall, in a manner it determines to be appropriate:

- Conduct a review and evaluation of the performance of the Audit Committee and its members, including the compliance of the Audit Committee with this Charter.
- Review and assess the adequacy of its Charter and the position description for its Chair and recommend to the Board of Directors any improvements to this Charter or the position description that the Audit Committee determines to be appropriate, except for minor technical

amendments to this Charter, authority for which is delegated to the Chief Executive Officer, who will report any such amendments to the Board of Directors at its next regular meeting.

# Appendix A

- Review the experience and qualifications of the senior members of the independent auditor's team.
- Discuss with the independent auditor its internal quality-control procedures.
- Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.
- Confirm with the independent auditor that it is a participating audit firm of the Canadian Public Accountability Board in compliance with all restrictions or sanctions imposed on it (if any).
- Review and approve clear policies for the hiring by the Corporation of partners, employees and former partners and employees of the present and former independent auditor.
- Review periodic reports from the independent auditor regarding its independence and consider whether there are any non-audit services or relationships that may affect the objectivity and independence of the independent auditor and, if so, recommend that the Board of Directors take appropriate action to satisfy itself of the independence of the independent auditor.
- Obtain and review such report(s) from the independent auditor as may be required by applicable legal and regulatory requirements.