



MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE QUARTER ENDED
MARCH 31, 2025 and 2024**

AS OF MAY 7, 2025

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MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED MARCH 31, 2025

This Management’s Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes to the condensed consolidated interim financial statements of Mandalay Resources Corporation (“Mandalay” or the “Company”) for the three months ended March 31, 2025, the Company’s Annual Information Form dated March 28, 2025 (the “AIF”), the Company’s 2024 audited consolidated financial statements and accompanying 2024 MD&A, as well as other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR+ at www.sedarplus.com. The Company’s reporting currency is the United States (“US”) dollar and all amounts in this MD&A are expressed in US dollars unless otherwise stated. The Company reports its consolidated financial position, results of operations and cash flows in accordance with International Financial Reporting Standards (“IFRS”). The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

This MD&A contains references to non-GAAP measures. Please refer to the Non-GAAP Performance Measures section for the list of these measures and their definitions.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this document constitute “forward-looking statements.” Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: mining industry risks; fluctuations in the market price of mineral commodities; project development; expansion targets and operational delays; environmental risks and hazards; requirement of additional financing; health and safety; uncertainty as to calculations of mineral deposit estimates; marketability; licenses and permits; title matters; governmental regulation of the mining industry; cybersecurity events; current global financial conditions including inflation; currency risk; uninsured risks; competition; repatriation of earnings; properties without known mineral reserves; dependence upon key management personnel and executives; dependence on major customers; infrastructure; litigation; potential volatility of market price of common shares; possible conflicts of interest of directors and officers of the Company; risk of dilution; payment obligations relating to properties; instability of political and economic environments; and integration of acquisitions. Specific reference is made to the Annual Information Form for a discussion of some of the factors underlying forward-looking statements. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

Where we say “we,” “us,” “our,” the “Company” or “Mandalay,” we mean Mandalay Resources Corporation and/or one or more or all of its subsidiaries, as applicable. The following abbreviations are used to describe the periods under review throughout this MD&A. All amounts included in this MD&A are in United States dollars (“\$”), unless otherwise specified. The use of CAD refers to Canadian dollars, the use of SEK refers to Swedish Krona and the use of AUD refers to Australian dollars.

Abbreviation	Period	Abbreviation	Period
FY 2025	January 1, 2025–December 31, 2025	FY 2024	January 1, 2024–December 31, 2024
Q1 2025	January 1, 2025–March 31, 2025	Q1 2024	January 1, 2024–March 31, 2024

OUR BUSINESS

Mandalay is a Canada-based natural resource company with producing assets in Australia (the Costerfield gold-antimony mine) and Sweden (the Björkdal gold mine). The Company is focused on growing its production and reducing costs to generate significant positive cashflow. Mandalay is committed to operating safely and in an environmentally responsible manner, while fostering strong community and employee engagement.



Mandalay's mission is to create shareholder value through profitable operation and successful organic exploration at its Costerfield and Björkdal mines, while actively evaluating accretive and non dilutive inorganic growth opportunities. At Costerfield, the Company focuses on mining the high-grade Youle and Shepherd veins, while expanding near-mine and regional Mineral Resources & Reserves. At Björkdal, the goal is to enhance production from the Eastern Extension area and other higher-margin zones, such as North Zone, to optimize profitability in the coming years.

On April 27, 2025, the company entered into an arrangement agreement with Alkane Resources Ltd ("Alkane") whereby Alkane will acquire all the issued and outstanding common shares of the company pursuant to a court-approved plan of arrangement (the "Transaction"). Pursuant to the Transaction, shareholders of the Company will receive 7.875 ordinary shares of Alkane for each common share of Mandalay held immediately prior to the effective time of the Transaction. Following completion of the Transaction, the combined company will continue operating as "Alkane Resources", remain listed on the ASX and is seeking a listing on the TSX exchange. For more information, please refer to the press release dated April 27, 2025 filed on sedarplus.ca.

Q1 2025 FINANCIAL & OPERATING SUMMARY

(Expressed in \$ thousands, except where indicated)	Three months ended	
	2025	March 31, 2024
Financial Data		
Revenue	78,063	55,511
Operating costs	31,418	27,031
Depreciation and depletion	9,287	10,708
Gross profit	37,358	17,772
Net income	14,822	5,888
Per share ("EPS")	0.16	0.06
Adjusted net income ¹	20,038	12,152
Adjusted net income per share ¹	0.21	0.13
Adjusted EBITDA ^{1,2}	44,073	26,735
Cash operating costs per ounce gold eq. produced (\$) ¹	1,348	1,039
All-in sustaining costs per ounce gold eq. produced (\$) ¹	2,004	1,430
Average realized gold price (\$ per ounce) ¹	3,046	2,200
Average realized antimony price (\$ per tonne) ¹	34,923	13,823
Cash generated from operating activities	27,949	29,475
Sustaining capital expenditures ¹	14,859	5,931
Non-sustaining capital expenditures ¹	1,845	7,214
Total capital expenditure	16,704	13,145
Free cash flow ¹	11,164	16,067
Free cash flow per ounce gold eq. sold (\$) ¹	433	636

¹Average realized gold and average realized antimony price, sustaining and non-sustaining capital expenditures, cash operating costs and all-in sustaining costs, free cash flow, adjusted EBITDA and adjusted net income are non-GAAP performance measures with no standard definition under IFRS. Refer to the Non-GAAP Performance Measures section of the MD&A.

²Adjusted EBITDA excludes non-cash items such as impairment, foreign exchange and stock-based compensation. For more details refer to the Non-GAAP Performance Measures section of the MD&A.

	Three months ended	
	March 31,	
	2025	2024
Consolidated Operating Data		
Gold equivalent produced (ounces) ^{1,2}	22,342	24,936
Gold produced (ounces)	20,376	22,346
Antimony produced (tonnes)	161	404
Gold equivalent sold (ounces) ^{1,2}	25,779	25,277
Gold sold (ounces)	23,386	23,187
Antimony sold (tonnes)	196	326
Capital development (metres)	1,092	976
Capital exploration drilling (metres)	18,610	13,502

¹Gold equivalent ounce is a non-GAAP performance measure with no standard definition under IFRS. For more details refer to the Non-GAAP Performance Measures section of the MD&A.

²Since Q1 2025, quarterly gold equivalent ounces (“Gold Eq. (oz)”) are calculated by multiplying gold (“Au”) volumes by average market Au prices and antimony (“Sb”) volumes by average realized Sb prices for the period, adding the amounts to get a total contained value, then dividing by the average market Au price. In comparative periods, average “market spot” Sb prices were used instead of average “realized” Sb prices to calculate Gold Eq. (oz).

FINANCIAL AND OPERATIONAL DISCUSSION

Revenue, Gold-Antimony Production, Operating Costs and Net Income

- Revenue for Q1 2025 increased by 41% to \$78.1 million, compared to \$55.5 million in Q1 2024, due to higher average realized metal prices: \$3,046 per ounce for gold and \$34,923 per tonne for antimony in Q1 2025 compared to \$2,200 per ounce for gold and \$13,823 per tonne for antimony in Q1 2024.
- Consolidated gold equivalent production decreased to 22,342 ounces in Q1 2025, compared to 24,936 ounces in Q1 2024, due to lower production at Costerfield. This was primarily caused by lower grades at Costerfield in Q1 2025 compared to Q1 2024, attributed to mining lower grade areas of the deposits.
- Operating costs totaled \$31.4 million during Q1 2025, an increase of 16% compared to \$27.0 million in Q1 2024. This was mainly due to increased cost for tailings management at Costerfield, expected to notably decrease post commissioning of the new tailings facility in Q2 2025, and additional costs for ore development contractors at Björkdal in Q1 2025 compared to Q1 2024.
- Net income was \$14.8 million in Q1 2025 compared to \$5.9 million in Q1 2024. The increase was primarily due to a \$22.6 million increase in revenue partially offset by the above mentioned \$4.4 million increase in operating costs, a \$5.5 million increase in income tax expense due to higher income, and \$5.5 million of unrealized foreign exchange loss in Q1 2025 compared to a gain of \$0.7 million gain in Q1 2024 due to foreign currency translation at period end.

Cash Operating Costs per Ounce Produced¹, All-In Sustaining Costs (“AISC”)¹, Operating Cash Flow, Capital Expenditures and Free Cash Flow¹

- Cash operating costs per ounce of gold equivalent produced increased by 30% to \$1,348 in Q1 2025 compared to \$1,039 in Q1 2024 due to the 10% decreased gold equivalent production in Q1 2025 with 22,342 ounces produced compared to 24,936 ounces in Q1 2024, combined with the increase in total operating costs as mentioned above, excluding inventory changes.
- All-in sustaining costs per ounce of gold equivalent produced increased by 40% to \$2,004 in Q1 2025, compared to \$1,430 in Q1 2024. This increase in per unit cost was due to the higher cash operating costs and higher sustaining capital expenditures during the quarter compared to Q1 2024 including accelerated capital expenditure at Björkdal to catch up on development and increased infill drilling at Costerfield. The increased infill drilling expenditure at Costerfield focused on converting inferred resources into indicated while the drilling in Q1 2024 targeted extensional testing classified as non-sustaining.
- Consolidated capital expenditures of \$16.7 million in Q1 2025 was higher compared to \$13.1 million in Q1 2024. In addition to the sustaining capital mentioned above, the increase in total capital expenditures was driven by construction of the new tailings facility at Costerfield, which once commissioned in Q2 2025, will provide approximately 6 years of additional storage capacity and is also expected to lower costs of tailings management.
- Free cash flow in Q1 2025 was \$11.2 million compared to free cash flow of \$16.1 million in Q1 2024, mainly due to higher capital expenditures as noted above.

Cash Position and Working Capital¹

- As at March 31, 2025, the Company had cash and cash equivalents of \$88.3 million compared to \$76.4 million on December 31, 2024. During 2024, the Company fully repaid the outstanding principal amount of \$20 million under its revolving credit facility. The Company has \$35 million in undrawn availability under the facility.
- As at March 31, 2025, working capital was \$83.4 million, compared to \$70.2 million on December 31, 2024. The 19% increase in working capital was mainly due to the higher cash position and the increase in accounts receivable mainly due to higher revenue. This was partially offset by increase in current liabilities due to higher income tax liabilities and higher accrued liabilities mainly due to the additional capital intensive projects.

FY 2025 Guidance

The Company expects to produce approximately 85,000 to 95,000 gold equivalent ounces in FY 2025 at an all-in sustaining cost range of \$1,795 to \$1,975 per ounce.

	Björkdal	Costerfield	Consolidated
	2025E		
Gold production (oz.)	41,500 – 46,000	35,000 – 39,000	76,500 – 85,000
Antimony production (t)	-	1,050 – 1,150	1,050 – 1,150
Gold eq. production (oz.) ¹	41,500 – 46,000	43,500 – 49,000	85,000 – 95,000
Cash cost, \$/oz gold eq. ²	1,350 – 1,500	1,075 – 1,190	1,200 – 1,350
All-in sustaining \$/oz gold eq. ^{2,3}	1,975 – 2,190	1,450 – 1,625	1,795 – 1,975
Capex, \$ million	25 – 28	18 – 20	43 – 48

¹Assumes average metal prices of: Au \$2,575/oz, Sb \$20,000/t

²Cash operating costs and All-in sustaining costs are non-GAAP financial performance measures with no standard definition under IFRS. Refer to the Non-GAAP Financial Performance Measures section of the MD&A.

³Consolidated all-in sustaining costs per Au Eq. oz includes corporate overhead spending.

¹ This is a non-GAAP financial performance measure with no standard definition under IFRS. For more details, refer to the Non-GAAP Performance Measures section of the MD&A.

REVIEW OF OPERATING AND FINANCIAL RESULTS

Costerfield Gold-Antimony Mine

Costerfield Financial Results

(\$ thousands)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	39,653	44,200	27,302	34,286	30,606	28,466	19,074	20,544
Operating costs (excl. inventory movement)	(14,012)	(13,413)	(13,138)	(12,506)	(12,147)	(11,869)	(11,083)	(10,340)
Change in inventory	1,087	(5,477)	3,398	1,820	200	622	(316)	(5,136)
Depreciation & Depletion	(3,059)	(299)	(3,313)	(4,245)	(4,635)	(3,369)	(2,937)	(3,037)
Gross profit	23,669	25,011	14,249	19,355	14,024	13,850	4,738	2,031
General & administrative costs	(456)	(236)	(285)	(224)	(495)	(346)	(163)	(147)
Income tax expense	(6,724)	(6,243)	(4,088)	(5,441)	(4,046)	(2,882)	(1,382)	(525)
Net income	10,636	10,661	8,490	12,251	10,012	9,288	3,464	819
Cash flows from operating activities	20,957	27,062	15,500	12,775	22,609	8,100	3,584	9,939

Costerfield Quarterly Production

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Operating development (m)	449	697	884	793	787	801	925	940
Tonnes of ore mined (t)	25,618	41,250	36,769	36,852	31,259	33,710	35,783	33,035
Mined ore gold grade (g/t)	9.54	11.33	7.25	10.73	14.02	11.51	10.30	7.01
Mined ore antimony grade (t)	0.75	1.39	1.07	2.05	2.25	1.94	1.90	2.15
Processed ore (t)	34,428	35,044	34,754	30,757	32,872	33,866	30,848	35,990
Processed ore - milled head grade gold (g/t)	9.60	11.82	8.09	12.07	12.41	13.14	9.56	7.39
Processed ore - milled head grade antimony (%)	0.92	1.38	1.33	2.08	2.21	2.06	2.18	2.36
Recovery gold (%)	93.14	94.67	94.47	94.90	95.10	94.81	94.48	91.15
Recovery antimony (%)	85.03	90.62	89.39	90.93	91.04	92.02	92.52	91.90
Gold produced (oz.)	9,549	12,125	8,218	11,027	11,976	13,016	8,377	7,296
Antimony produced (t)	161	267	252	359	404	404	395	517
Gold equivalent produced (oz.) ²	11,515	15,768	10,697	13,773	14,566	15,383	10,808	10,453
Gold equivalent sold (oz.) ²	13,738	16,594	10,761	14,439	14,516	14,403	9,817	10,290
Cash operating cost (\$ per tonne) ¹	379	353	361	378	346	335	342	270
Cash operating cost (\$ per oz. eq. produced) ¹	1,133	784	1,174	844	780	738	975	930
All-in sustaining cost (\$ per oz. eq. produced) ¹	1,555	1,118	1,424	1,142	1,005	920	1,265	1,268

¹Cash operating costs and All-in sustaining costs are non-GAAP Performance Measures with no standard definition under IFRS. Refer to the Non-GAAP Performance Measures section of the MD&A.

²Since Q1 2025, quarterly gold equivalent ounces ("Gold Eq. (oz)") are calculated by multiplying gold ("Au") volumes by average market Au prices and antimony ("Sb") volumes by average realized Sb prices for the period, adding the amounts to get a total contained value, then dividing by the average market Au price. In comparative periods, average "market spot" Sb prices

During Q1 2025, Costerfield produced 9,549 ounces of gold compared to 11,976 ounces in Q1 2024, a decrease of 20% or 2,427 ounces. The decrease in ounces produced was a result of a decrease in the average milled gold head grade from 12.41 g/t in Q1 2024 to 9.60 g/t in Q1 2025, which was expected. Antimony production during Q1 2025 was 161 tonnes, a 60% decrease from the 404 tonnes produced in Q1 2024. This was due to a decrease in the average milled antimony head grade from 2.21% in Q1 2024 to 0.92% in Q1 2025. The reduction in antimony grade was anticipated, albeit greater than expected, as increased material is being mined from the lower antimony grade deposit of Shepherd.

The cash operating cost per ounce of gold equivalent produced increased by 45% to \$1,133 per ounce in Q1 2025 compared to \$780 per ounce in Q1 2024 mainly due to higher costs for tailings and water management including personnel and material costs to handle the disposal of tails via paste and geotubes, a necessity until completion of the new tails storage facility mid-2025. This per ounce cost increase is also due to 20% decreased gold equivalent production. All-in sustaining cost per ounce of gold equivalent produced increased by 55% to \$1,555 per ounce in Q1 2025 compared to \$1,005 per ounce in Q1 2024, due to an increase in per unit cash operating costs as mentioned above and higher sustaining capital expenditure including increased infill drilling as the focus during the quarter was on converting inferred resources from Cuffley Deeps and Kendal into indicated resources while the drilling in Q1 2024 was focused on extensional testing of Shepherd and other near-mine targets classified as non-sustaining capital expenditure.

Costerfield Capital Expenditures

(\$ thousands, except where indicated)	Three months ended	
	2025	March 31, 2024
Sustaining capital ¹		
Capital development	575	854
Infill drilling	1,629	141
Property, plant and equipment sustaining	6,020	853
Total sustaining capital¹	8,224	1,848
Property, plant and equipment non-sustaining	-	-
Exploration cost	1,459	1,807
Total non-sustaining capital¹	1,459	1,807
Total capital expenditures	9,683	3,655
Capital development metres (m)	-	131
Capital development cost per metre (\$/m)	NA	6,524
Capital exploration drilling metres (m)	15,096	8,522
Capital exploration drilling cost per metre (\$/m)	205	229

¹ Sustaining and non-sustaining capital are non-GAAP Performance Measures with no standard definition under IFRS. Refer to the non-GAAP Performance Measures section of the MD&A. Sustaining capital expenditures are included in the calculation of all-in sustaining costs.

Mining

Costerfield mined 25,618 ore tonnes in Q1 2025, which represents a decrease of 18% compared to 31,259 tonnes in Q1 2024. The decreased mining tonnes in Q1 2025 was due to an increased focus on safety given poor performance in that area in Q4 2024. Also the stopes being mined were towards the extremities of the deposit, leading to an increased mucking and backfilling cycle times.

During Q1 2025 there was no capital development advance in metres compared to 131 metres in Q1 2024. In Q1 2025 there has been a planned dedicated exploration drill drive that commenced mining.

Processing

Costerfield processed 34,428 ore tonnes in Q1 2025, which represents an increase of 5% compared to 32,872 tonnes in Q1 2024. Processing in Q1 2025 was positively impacted by less disruptions and the improved two-stage crushing circuit which is feeding a more favorable product to the primary mill. Processed gold grades were lower during Q1 2025 at 9.60 g/t gold as compared to 12.41 g/t gold in Q1 2024. Processed antimony grades were lower at 0.92% during Q1 2025 as compared to 2.21% in Q1 2024. These both resulted in lower plant recoveries.

Björkdal Gold Mine

Björkdal Financial Results

(\$ thousands)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	38,410	22,601	27,987	28,768	24,905	22,122	21,833	19,126
Operating costs (excl. inventory movement)	(17,110)	(15,347)	(14,355)	(15,336)	(14,589)	(15,049)	(13,364)	(14,480)
Change in inventory	(1,383)	1,843	(1,816)	860	(495)	460	518	720
Depreciation & Depletion	(6,228)	(5,346)	(5,750)	(6,501)	(6,073)	(5,616)	(5,488)	(4,725)
Gross profit	13,689	3,751	6,066	7,791	3,748	1,917	3,499	641
General & administrative costs	(358)	(173)	(260)	(159)	(367)	(130)	(201)	(233)
Income tax (expenses) recovery	(2,715)	84	(1,133)	(1,268)	115	(960)	(420)	740
Net income (loss)	11,434	(1,056)	4,670	5,009	(583)	3,490	2,138	(2,946)
Cash flows from operating activities	17,611	5,933	9,756	14,022	5,370	12,462	858	3,305

Björkdal Quarterly Production

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Operating development (m)	1,682	1,394	1,299	1,378	1,426	1,508	1,343	1,325
Tonnes of ore mined (t)	225,187	229,170	219,402	247,978	247,843	288,256	264,095	300,264
Mined ore gold grade (g/t)	1.36	1.32	1.23	1.37	1.31	1.42	1.46	1.26
Processed ore (t)	355,075	343,423	352,390	331,450	343,146	306,741	318,917	296,213
Processed ore - milled head grade gold (g/t)	1.09	1.05	0.96	1.19	1.15	1.36	1.35	1.23
Recovery gold (%)	87.04	85.78	84.77	84.90	86.22	86.33	88.13	86.96
Gold produced (oz.)	10,827	9,728	9,626	12,599	10,370	11,558	11,224	10,397
Gold sold (oz.)	12,041	8,380	10,790	12,320	10,761	11,458	10,751	9,939
Cash operating cost (\$ per tonne) ¹	48	45	41	46	42	49	42	49
Cash operating cost (\$ per oz. eq. produced) ¹	1,577	1,573	1,487	1,216	1,403	1,299	1,189	1,389
All-in sustaining cost (\$ per oz. eq. produced) ^{1,2}	2,247	2,182	1,967	1,553	1,868	1,664	1,474	1,978

¹ Cash operating costs and All-in sustaining costs are non-GAAP Performance Measures with no standard definition under IFRS. Refer to the Non-GAAP Performance Measures section of the MD&A.

² All-in sustaining costs in the current year includes tailings dam amortization, accordingly the 2023 comparative figures have been updated.

During Q1 2025, Björkdal produced 10,827 ounces of gold compared to 10,370 ounces in Q1 2024, an increase of 4% or 457 ounces. Although the production was higher, it was a marginal increase with lower mining tonnes, but improved mining grades coming from the Main zone where access was regained, and increased plant throughput and recovery.

The cash operating cost per ounce of gold produced for Q1 2025 increased by 12% to \$1,577 per ounce compared to \$1,403 per ounce in Q1 2024 due to higher cash operating costs mainly due to higher mining costs from additional spending on development contractors. All-in sustaining cost per ounce of gold produced increased by 20% to \$2,247 per ounce in Q1 2025 compared to \$1,868 per ounce in Q1 2024 mainly due to an increase in per unit cash operating costs as mentioned above and higher sustaining capital expenditures including increased costs for accelerated capital expenditures to catch up on development for future required production flexibility along with planned increased cost on replacing mining equipment including a new cable bolter delivered during the quarter.

Björkdal Capital Expenditures

(\$ thousands, except where indicated)	Three months ended	
	2025	March 31, 2024
Sustaining capital ¹		
Capital development	4,052	2,681
Infill drilling	262	5
Property, plant and equipment sustaining	2,321	1,397
Total sustaining capital¹	6,635	4,083
Property, plant and equipment non-sustaining	-	11
Exploration cost	145	594
Total non-sustaining capital¹	145	605
Total capital expenditures	6,780	4,688
Capital development metres (m)	1,092	845
Capital development cost per metre (\$/m)	3,711	3,172
Capital exploration drilling metres (m)	3,514	4,980
Capital exploration drilling cost per metre (\$/m)	116	120

¹Sustaining and non-sustaining capital are non-GAAP Performance Measures with no standard definition under IFRS. Refer to the non-GAAP Performance Measures section of the MD&A. Sustaining capital expenditures are included in the calculation of all-in sustaining costs.

Mining

Björkdal mined 225,187 underground ore tonnes in Q1 2025, a decrease of 9% compared to 247,843 tonnes in Q1 2024. The reduction was heavily influenced by a production front which was inaccessible during February, which impacted the mining sequence. Coupled with a shortage of loader availability, reducing backfilling tasks led to lower production.

Q1 2025 total capital development of 1,092 metres was 29% higher than the 845 metres from Q1 2024, with a focus on this metric with a dedicated contractor to make up for development metres which were not achieved in 2024.

Processing

Björkdal processed 355,075 ore tonnes in Q1 2025, which represents an increase of 3% compared to 343,146 tonnes in Q1 2024. The main reason for the increase were improvements with real-time mill 2 charge measurements and finer screen trials.

CONSOLIDATED FINANCIAL RESULTS

Quarterly Financial Review – Consolidated

(\$ thousands)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	78,063	66,801	55,289	63,054	55,511	50,588	40,907	39,670
Operating costs (excl. inventory movement)	(31,122)	(28,760)	(27,493)	(27,841)	(26,736)	(26,918)	(24,447)	(24,819)
Change in inventory	(296)	(3,634)	1,582	2,679	(295)	1,082	202	(4,417)
Depreciation	(9,287)	(5,645)	(9,063)	(10,746)	(10,708)	(8,986)	(8,425)	(7,762)
Gross profit	37,358	28,762	20,315	27,146	17,772	15,766	8,237	2,672
General & administrative costs	(2,572)	(2,134)	(2,135)	(2,030)	(1,745)	(1,681)	(1,240)	(1,544)
Finance costs	(233)	(322)	(716)	(833)	(778)	(718)	(1,418)	(5,377)
(Loss) gain on financial instruments	(4,974)	(1,980)	(5,205)	(945)	(5,974)	(273)	438	4,247
Other non-operating (expense) income	(5,318)	2,497	(1,686)	(772)	544	(6,537)	(147)	311
Income tax (expenses) recovery	(9,439)	(6,159)	(5,221)	(6,709)	(3,931)	(3,842)	(1,802)	215
Net income	14,822	20,664	5,352	15,857	5,888	2,715	4,068	524
Cash flows from operating activities	27,949	38,505	20,600	24,141	29,475	14,854	4,404	16,161

Revenue

(\$ thousands, except where indicated)	Three months ended		
	March 31,		
	2025	2024	Change
Revenue (\$)	78,063	55,511	41%
Gold ounces sold (oz.)	23,386	23,187	1%
Antimony tonnes sold (t)	196	326	(40%)
Gold Sales Equivalent (oz.)	25,779	25,277	2%
Average realized gold price (\$/oz.) ¹	3,046	2,200	38%
Average market gold price (\$/oz.) ¹	2,860	2,074	38%
Average realized antimony price (\$/t) ¹	34,923	13,823	153%
Average market antimony price (\$/t) ¹	48,590	13,298	265%

¹ Average realized gold and average realized antimony price and average market gold and average market antimony price are a non-GAAP Performance Measures with no standard definition under IFRS. For further information, refer to the non-GAAP Performance Measures section of the MD&A.

The Company's revenue in Q1 2025 of \$78.1 million was higher compared to the prior-year quarterly revenue of \$55.5 million, driven by higher realized metal prices: \$3,046 per ounce for gold and \$34,923 per tonne for antimony in Q1 2025 compared to \$2,200 per ounce for gold and \$13,823 per tonne for antimony in Q1 2024.

Consolidated Production Costs

(\$ thousands)	Three months ended		
	March 31,		
	2025	2024	Change
Direct mining and processing cost			
Mining	17,024	15,838	7%
Processing	8,338	6,149	36%
G&A and others	5,760	4,749	21%
Inventory movement	296	295	0%
Cost of sales, excluding depreciation and depletion	31,418	27,031	16%
Depreciation & Depletion	9,287	10,708	(13%)
Total cost of operation	40,705	37,739	8%

Total cost of sales, excluding depreciation and depletion expenses, increased 16% from 27.0 million in Q1 2024 to \$31.4 million in Q1 2025. This was mainly due to increased costs for tailings management at Costerfield, expected to notably decrease post commissioning of the new tailings facility in Q2. At Björkdal, there were additional costs for development contractors during Q1 2025 compared to Q1 2024.

General and Administrative Expenses

General and administrative (“G&A”) expenses exclude mine-site administrative costs that are charged directly to operations but do include legal, accounting, costs to maintain offices and personnel both in Toronto, Canada, and all executives, and other corporate costs associated with being a publicly traded company.

(\$ thousands)	Three months ended		
	March 31,		
	2025	2024	Change
Salaries, short-term incentives, and other benefits	1,206	729	65%
Legal and accounting	355	224	58%
Administrative and office	267	304	(12%)
Travel	92	168	(45%)
Other	652	320	104%
Total G&A expenses	2,572	1,745	47%

During Q1 2025, total G&A expenses increased by 47% compared to Q1 2024 mainly due to increased salaries and incentive bonus expenses compared to Q1 2024 and a continued ramp-up in corporate business development expenses investigating potential M&A growth opportunities.

Finance Costs

(\$ thousands)	Three months ended		
	March 31,		
	2025	2024	Change
Loan Facility			
Interest on Revolver Credit Facility	62	491	(87%)
Other			
Interest on other borrowings and other charges	73	46	59%
Accretion of reclamation and site closure costs	98	241	(59%)
Total finance costs	233	778	(70%)

In Q1 2025, finance costs decreased compared to Q1 2024 mainly due to the \$0.5 million of interest payments on the Company’s Revolving Credit Facility (RCF) in Q1 2024, which was not repeated in Q1 2025 given that no amounts were outstanding under the facility. The current interest cost reflects the standby fee on the RCF and equipment financing charges.

Non-Operating Expenses (Recoveries)

(\$ thousands)	Three months ended		
	March 31,		
	2025	2024	Change
Foreign exchange loss (gain)	5,474	(698)	NA
Financial instruments loss	4,974	5,974	-17%
Interest and other income	(1,040)	(487)	114%
Total non-operating expenses	9,408	4,789	96%

In Q1 2025, non-operating expenses were \$9.4 million, compared to \$4.8 million in Q1 2024, primarily due to a \$5.5 million foreign exchange translation loss during the quarter compared to a gain of \$0.7 million gain in Q1 2024, primarily driven by the strengthening of the SEK, AUD and Chilean UF against the USD, which contributed to the foreign exchange losses. This variance was partly offset by lower losses on financial instrument during the quarter totaling \$5.0 million of losses on gold derivative contracts as compared to \$6.0 million of losses on financial instruments in Q1 2024.

Income Tax Expense

(\$ thousands)	Three months ended		
	March 31,		
	2025	2024	Change
Current income tax expense	7,599	3,040	150%
Deferred income tax expense	1,840	891	107%
Total income tax expense	9,439	3,931	140%

For Q1 2025, total income tax expense increased to \$9.4 million compared to \$3.9 million in Q1 2024 due to the increase in profit before tax in Q1 2025 compared to Q1 2024. Net income before taxes increased to \$24.3 million in Q1 2025 compared to \$9.8 million in the prior quarter.

Non-Core Properties

Lupin

The Company spent less than \$0.1 million on care and maintenance monitoring at Lupin during Q1 2025 and Q1 2024. Reclamation spending at Lupin, however, was \$0.1 million in Q1 2025 and Q1 2024. Lupin is currently in the process of final closure and reclamation activities which are to be partially funded by progressive security reductions. The majority of this reclamation work to achieve the majority of closure obligations is expected to take place in the 2026 calendar year. As at March 31, 2025, \$8.0 million in restricted cash stands as a deposit against the present value of certain reclamation cost obligations.

La Quebrada

The Company continues to evaluate options for this non-core asset. Care and maintenance spending at La Quebrada was less than \$0.1 million during Q1 2025, which was similar to the comparative period in 2024.

REVIEW OF FINANCIAL CONDITION

Outstanding Debt, Liquidity and Cash Flow

On December 1, 2022, the Company entered into a credit agreement with the Bank of Nova Scotia (“Scotiabank”), providing for a senior secured revolving credit facility in an aggregate amount up to \$35 million (the “Revolving Credit Facility”).

On May 7, 2024, the Company extended the maturity date of the Revolving Credit Facility from December 1, 2025, to December 31, 2026, at which point the principal amount of the facility will be reduced to \$20 million with an expiry date of June 30, 2027.

On July 2, 2024, the Company fully repaid the Revolving Credit Facility’s outstanding principal amount of \$20 million, leaving the Company with \$35 million in undrawn availability under the Revolving Credit Facility.

(\$ thousands)	March 31, 2025	December 31, 2024
Cash and cash equivalents	88,259	76,371
Non-cash working capital		
Other current assets:		
Trade receivables and other assets	30,810	19,226
Inventory	24,747	24,341
Prepaid expenses and advances	2,517	2,906
Current liabilities:		
Accounts payable and accrued liabilities	(28,409)	(25,051)
Borrowings	(2,455)	(1,739)
Lease liabilities	(623)	(701)
Current tax liability	(15,322)	(9,805)
Reclamation provisions	(5,261)	(4,338)
Other provision	(3,453)	(3,316)
Financial instruments	(7,439)	(7,678)
Working capital¹	83,371	70,216

¹ This is a non-GAAP financial performance measure with no standard definition under IFRS. For more details, refer to the Non-GAAP Performance Measures section of the MD&A.

As at March 31, 2025, the Company had cash and cash equivalents of \$88.3 million compared to \$76.4 million on December 31, 2024.

As at March 31, 2025, working capital was \$83.4 million, compared to \$70.2 million on December 31, 2024. The 19% increase in working capital was mainly due to the higher cash position and the higher balance of accounts receivable mainly due to increase in revenue. The was partly offset by increased tax liabilities due to higher taxable income and higher accrued liabilities due to additional capital intensive projects during the quarter as compared to Q1 2024.

The use of funds during the three months ended March 31, 2025, is as follows:

(\$ thousands)	Three months ended	
	2025	March 31, 2024
Cash provided by operating activities before interest and income taxes	29,322	32,066
Net interest and bank charges received	905	5
Income tax paid	(2,278)	(2,596)
Net cash provided by operating activities	27,949	29,475
Investing activities		
Expenditures on property, plant and equipment	(16,436)	(13,145)
Decrease (Increase) in reclamation deposits	(827)	79
Net cash used in investing activities	(17,263)	(13,066)
Financing activities		
Proceeds from borrowings	1,557	4,966
Repayments of borrowings	(352)	(221)
Lease payments	(498)	(368)
Shares issued for cash	-	18
Net cash used in financing activities	707	4,395
Effect of exchange rate changes on cash balances	495	(547)
Net increase in cash and cash equivalents	11,888	20,257

The net increase in cash and cash equivalents decreased to \$11.9 million in Q1 2025 compared to \$20.3 million in Q1 2024, due to higher net investing and financing activities following the ramp-up of capital intensive projects during the current quarter compared to the comparative quarter.

NCIB

On February 23, 2024, the Toronto Stock Exchange (the “TSX”) approved the Company’s notice of intention to make a normal course issuer bid (“NCIB”) for a portion of the Company’s common share. Purchases under the NCIB will be made in accordance with the requirements of the TSX.

Any purchases made under the NCIB are made at the discretion of the Company and the shares acquired under the NCIB are cancelled upon purchase. No shares were repurchased during the three months ended March 31, 2025.

Contractual Obligations and Commitments

The Company’s contractual obligations as of March 31, 2025, are summarized as follows:

(\$ thousands)	Less than 1 year	1 - 3 years	4 - 5 years	More than 5 years	Total
Financial Liabilities					
Accounts payable and accrued liabilities	28,409	-	-	-	28,409
Equipment loan obligation	2,455	4,230	-	-	6,685
Lease liabilities	623	457	-	-	1,080
Reclamation provisions	5,271	18,742	9,800	7,373	41,185
Derivative liabilities	7,439	-	-	-	7,439
Total	44,197	23,429	9,800	7,373	84,798

Revolving Credit Facility and Financial Covenants

The initial drawdown under the Revolving Credit Facility was used to repay the Prior Facility which had \$32.6 million outstanding before repayment. The residual proceeds from the Revolving Credit Facility was used for general corporate and working capital purposes.

The Revolving Credit Facility has the following financial covenants:

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

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

On July 2, 2024, the Company fully repaid the Revolving Credit Facility’s outstanding principal amount of \$20 million.

As at March 31, 2025, the undrawn amount under this facility was \$35 million.

NON-GAAP PERFORMANCE MEASURES

Non-GAAP performance measures are included in this MD&A because the Company believes these are useful indicators to understand the performance of the Company and its operations. These performance measures do not have any meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These non-GAAP performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Management uses *adjusted EBITDA*, *adjusted EBIT*, *adjusted net income* and *free cash flow* as measures of operating performance to assist in assessing the Company's ability to generate liquidity through operating cash flow in order to fund future working capital needs and to fund future capital expenditures, as well as in measuring financial performance from period to period on a consistent basis. Management uses *adjusted net income* in order to facilitate an understanding of the Company's financial performance prior to the impact of non-recurring or special items. The Company believes that these measures are used by and are useful to investors and other users of the Company's financial statements in evaluating the Company's operating and cash performance because they allow for analysis of its financial results without regard to special, non-cash and other non-core items, which can vary substantially from company to company and over different periods.

The Company presents cash costs and all-in sustaining costs metrics for its gold and antimony production because it believes that these measures assist investors and other users of the Company's financial statements in understanding the economics of the Company's gold and antimony mining activities. Management also uses these metrics to assess the Company's ability to meet short and long-term financial objectives.

Reconciliation of Cash Operating Costs and All-In Sustaining Costs per Ounce Produced

(\$ thousands, except where indicated)	Three months ended	
	2025	March 31, 2024
Cost of sales, excluding depreciation and depletion	31,418	27,031
General and administration expenses	80	34
Change in inventory	(296)	(295)
Royalty	(1,081)	(852)
Cash costs	30,121	25,918
Overhead expenses	2,407	1,479
Sustaining capital expenditures ¹	14,859	5,931
Less: Tailings dam cash expenditure	(4,930)	(172)
Add: Tailings dam amortization	1,131	1,398
Reclamation - accretion	98	241
Royalty	1,081	852
All-in sustaining costs	44,767	35,647
Gold equivalent produced (ounces)	22,342	24,936
Cash operating costs per ounce gold eq. produced²	1,348	1,039
All-in sustaining costs per ounce gold eq. produced²	2,004	1,430
Average realized gold price per ounce	3,046	2,200
Cash operating margin per ounce produced	1,698	1,161
All-in sustaining margin per ounce produced	1,042	770

¹Capital expenditures are included in our calculation of all-in sustaining costs.

²Cash operating costs and all-in sustaining costs are non-GAAP performance measures with no standard definition under IFRS.

Site cash cost per ounce of gold equivalent produced – For all sites, the cash cost per ounce of gold equivalent equals the total cash operating cost associated with the production of equivalent ounces produced in the period divided by the equivalent gold ounces produced. The cash cost excludes royalty expenses.

Site all-in sustaining cost per ounce of gold equivalent produced – Site all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization. Sustaining capital reflects the capital required to maintain each site’s current level of operations. For all sites, the all-in sustaining cost per ounce of gold equivalent in a period equals the all-in sustaining cost divided by the equivalent gold ounces produced in the period.

Consolidated cash cost per ounce of gold equivalent produced – The corporate cash cost per ounce of gold equivalent produced in the period equals the sum of cash costs associated with the production of the gold equivalent ounces at all operating sites in the period plus operating site overhead expense in the period divided by the total gold equivalent ounces produced in the period. The cash cost excludes royalty and corporate level general and administrative expenses.

Consolidated all-in sustaining cost per ounce of gold equivalent produced – The corporate all-in sustaining cost per ounce of gold equivalent produced in the period equals the sum of cash costs associated with the production of gold equivalent ounces at all operating sites in the period plus corporate overhead expense in the period plus sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization, divided by the total gold equivalent ounces produced in the period.

Reconciliation of Sustaining Capital and Non-Sustaining Capital Expenditures

(\$ thousands)	Three months ended	
	2025	March 31, 2024
Sustaining capital ¹		
Capital development	4,627	3,535
Infill drilling	1,891	146
Property, plant and equipment sustaining	8,341	2,250
Total sustaining capital¹	14,859	5,931
Non-sustaining capital		
Property, plant and equipment non-sustaining ²	-	4,757
Exploration cost	1,845	2,457
Total non-sustaining capital¹	1,845	7,214
Total capital expenditures	16,704	13,145

¹ Sustaining and non-sustaining capital are non-GAAP Performance Measures with no standard definition under IFRS. Sustaining capital expenditures are included in the calculation of all-in sustaining costs.

² includes equipments purchased for reclamation activities at non-operating site.

Reconciliation of Free Cash Flow

(\$ thousands, except where indicated)	Three months ended	
	March 31,	
	2025	2024
Cash generated from operating activities	27,949	29,475
Adjustments		
Expenditure against Asset Retirement Obligation	149	105
Sustaining capital expenditures ¹	(14,591)	(5,931)
Non-sustaining capital expenditures ¹	(1,845)	(7,214)
Lease payments	(498)	(368)
Free cash flow²	11,164	16,067
Ounces of gold equivalent sold ²	25,779	25,277
Free cash flow per ounce sold²	433	636

¹ Further detail on the sustaining capital expenditures composition can be found on the reconciliation of sustaining capital and non-sustaining capital expenditures in the non-GAAP reconciliation.

² This is a non-GAAP performance measure with no standard definition under IFRS.

Free cash flow – The Company defines free cash flow as a measure of the Company's ability to generate and manage liquidity. It is calculated starting with the net cash flows from operating activities (as per IFRS) and then adding capital expenditures and lease payments.

Reconciliation of Net Income to Adjusted EBITDA, Adjusted EBIT and Adjusted Net Income

(\$ thousands)	Three months ended	
	March 31,	
	2025	2024
Net Income	14,822	5,888
Special items		
Write down of assets	-	290
Revision of reclamation liability	242	-
Loss on financial instrument	4,974	5,974
Adjusted Net Income before special items¹	20,038	12,152
Add/less: Non-cash and finance costs		
Depreciation and depletion	9,287	10,708
Gain on disposal of property, plant and equipment	-	(40)
Share based compensation	642	391
Interest and finance charges	233	778
Current tax expense	7,599	3,040
Deferred tax expense	1,840	891
Foreign exchange loss (gain)	5,474	(698)
Interest and other income	(1,040)	(487)
Adjusted EBITDA¹	44,073	26,735
Weighted average outstanding shares ('000)	94,177	92,924
Adjusted EBITDA per share¹	0.47	0.29
Depletion and depreciation	9,287	10,708
Adjusted EBIT¹	34,786	16,027

¹ This is a non-GAAP performance measure with no standard definition under IFRS.

Adjusted EBITDA – The Company defines adjusted EBITDA as income from mine operations, net of General and administrative expenses, and business development costs, and before interest, taxes, non-cash charges/(income), intercompany charges and finance costs.

Adjusted EBIT – The Company defines Adjusted EBIT as Adjusted EBITDA less depreciation and depletion.

Adjusted net income – The Company defines adjusted net income as net income before special items. Special items are items of income and expense that are presented separately due to their nature and, in some cases, expected infrequency of the events giving rise to them. Starting in the first quarter of 2020, adjusted net income was calculated by excluding the impact of any loss or gain on financial instruments associated with gold derivative programs. This is because this amount can be volatile from the valuation methods involved, as well as the long-term nature of the derivative contracts and the price of gold from time to time.

Adjusted net income per share – The Company defines adjusted net income per share as adjusted net income divided by weighted average number of shares outstanding.

Other Non-GAAP Performance Measures

Income from operations (excluding depreciation and depletion) – The Company defines Income from operations (excluding depreciation and depletion) as revenue net of cost of sales excluding depreciation, depletion and any write down of assets.

Average realized gold per ounce sold and Average realized antimony per tonne sold – Average realized metal price per relevant unit sold is intended to assist investors and management in understanding and evaluating the revenue received per relevant unit in each reporting period.

Gold equivalent ounces – Gold equivalent ounces is calculated by multiplying the quantities of gold and antimony in the period by the average market price for gold and the average realized price for antimony in the period, respectively, adding the amounts to get a “total contained value based on market price for Gold and realized price for Antimony”, and then dividing that total contained value by the average market price of gold for the period. Average gold price in the period is calculated as the average of the daily PM price in the period. Average antimony realized price per tonnes in the period is calculated as total revenue recognized from antimony sales divided by the number of antimony tonnes sold. In comparative periods, average market spot antimony prices were used instead of average realized antimony prices to calculate Gold Eq. (oz). The source for gold price is www.lbma.org.uk, and antimony price were www.metalbulletin.com.

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

Working capital – Working capital is a common measure of near-term liquidity and is calculated by deducting current liabilities from current assets as reported in the Company’s consolidated statement of financial position.

CAPITAL STRUCTURE

The capital structure of the Company as at March 31, 2025, is as follows:

	March 31, 2025
(All amounts in \$ thousands, except number of common shares)	
Cash and cash equivalents	88,259
Less: Bank indebtedness	-
Less: Equipment loan	(6,685)
Less: Leasing Liabilities	(1,080)
Total debt	(7,765)
Total net cash and cash equivalents balance¹	80,494
Number of common shares outstanding	94,662,503

¹ Net cash and cash equivalents balance is a non-GAAP Performance Measure and is defined as total indebtedness excluding unamortized transaction costs and premiums or discounts associated with debt, less cash and cash equivalents. The Company reduces cash and cash equivalents balance by gross indebtedness on the basis to identify the net cash and cash equivalents balance.

OFF-BALANCE SHEET ITEMS

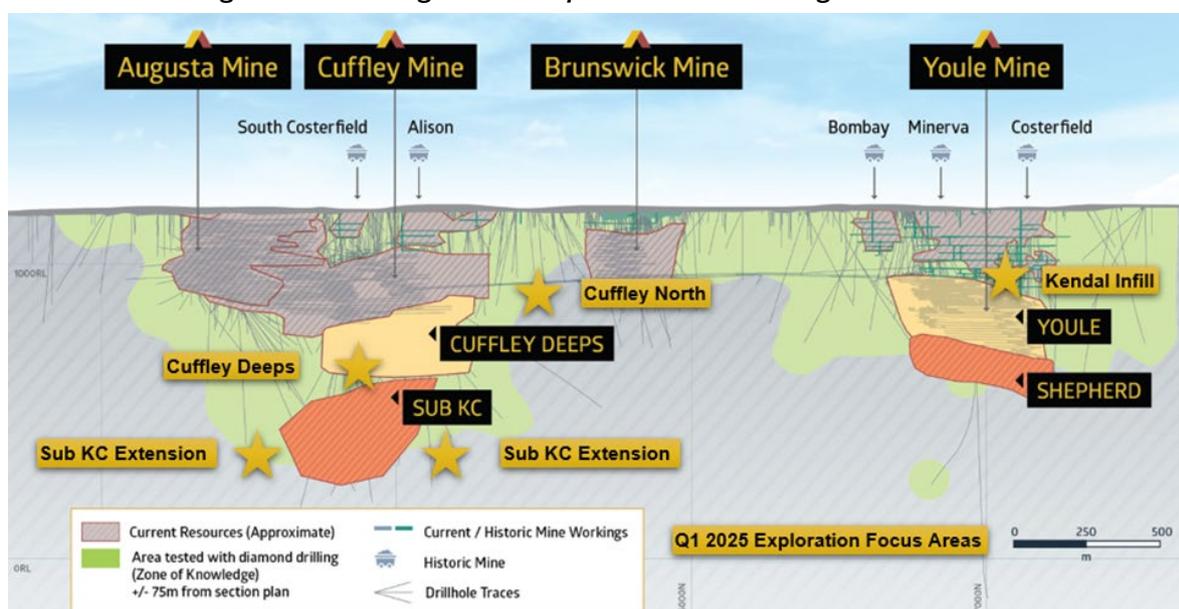
The Company does not have any off-balance sheet investment or debt arrangements.

QUARTERLY EXPLORATION HIGHLIGHTS

Costerfield Gold-Antimony Mine

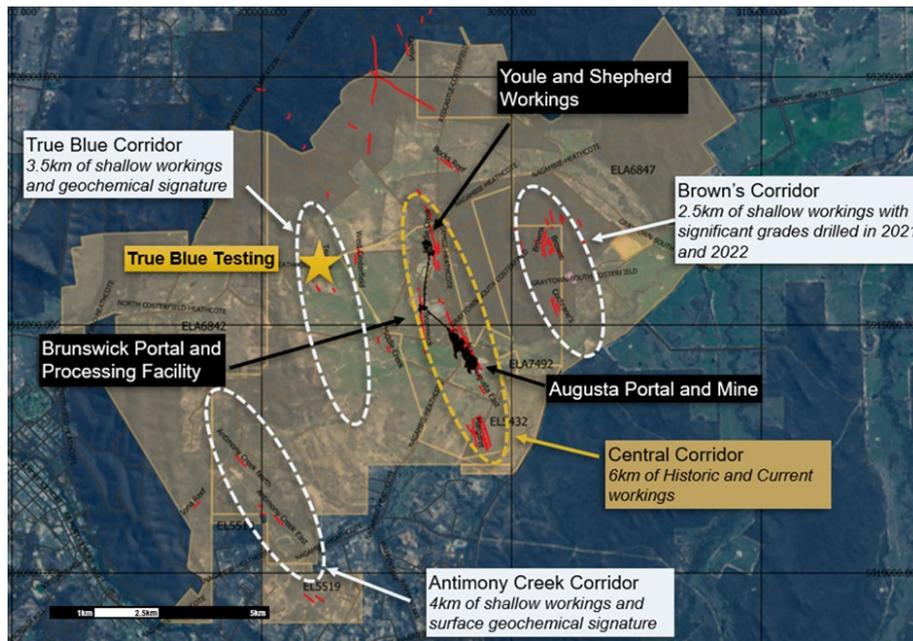
At Costerfield during Q1 2025, near mine exploration focused on three areas of resource extension. Firstly, the Cuffley Deeps program continued along with the progression of Cuffley North extension program. Second, the Sub KC extension drilling was commenced and, to the north, the Kendal Infill drilling investigated veining of the upward extension of Youle. Also during Q1 a 250m drilling access development has been underway which will provide better drilling angles for the Sub KC extension and Infill programs. In Q2 the new Sub KC drill drive will be complete, and drilling will commence on the Inferred Resources that currently exist there. The Brunswick South Deeps testing program will also commence and the Kendal drilling will be completed.

Costerfield District Long Section Showing Areas of Exploration Focus During Q1 2025



After the impressive results of late 2024 (refer to January 28, 2025 press release and Q4 2024 MD&A) drilling has been ramped up with three drill rigs working on extensional drilling.

Costerfield tenement map showing location of the True Blue project.

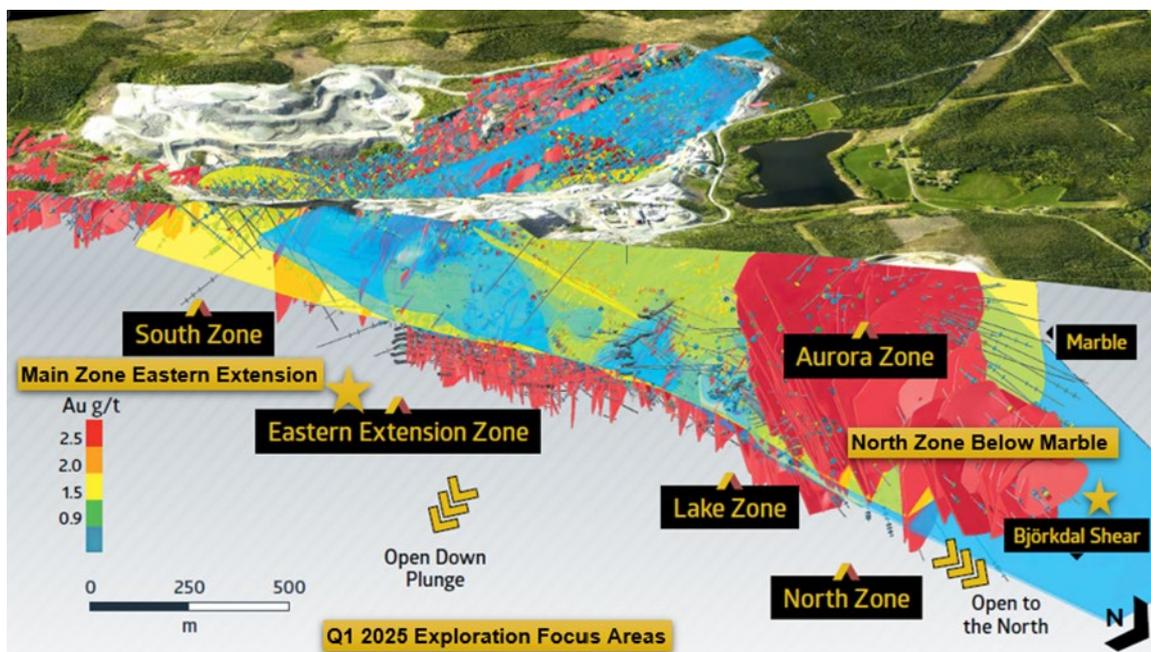


Björkdal Gold Mine

At Björkdal extensional drilling continued on the northeastern flank of the mine focused on extending Main Zone and Central Zone. The North Zone Below Marble infill drilling also commenced following the encouraging results of the 2024 program released December.

During Q2 infill and extensional drilling will continue on both the eastern extension area and North Zone. Drilling will also commence on the Storheden deposit situated approximately 800m to the northeast of the Björkdal mine.

Perspective view of the Björkdal Mine Showing Areas of Exploration Focus During Q1 2025



In this perspective view looking towards the SW highlighting the interaction of the veining (red), marble (blue) and Björkdal fault (yellow), drilling from the 2024 near mine programs are displayed.

Resource and Reserve Update

On February 20, 2025, Mandalay released the results of the latest Resource and Reserve updates from both its Björkdal and Costerfield operations. These were followed by the filing of accompanying detailed Technical Reports on March 28, 2025, copies of which are available under the Company's SEDAR+ profile at www.sedarplus.com.

Highlights of the updates include:

- Total Mineral Reserves of 815,000 gold equivalent ounces, a 9% increase net of depletion.
- Total Mineral Measured and Indicated Resources of 1.97 million gold equivalent ounces, a 14% increase net of depletion.

At Costerfield

- Substantially replaced Mineral Reserves:
 - 604,000 tonnes at 8.7 g/t gold and 1.8% antimony for 168,000 gold ounces and 11,000 tonnes of antimony.
 - Equivalent to 254,000 gold equivalent ounces at a grade of 13.1 g/t.
- True Blue deposit experienced nearly a four times growth in gold equivalent ounces within Inferred Resources, reinforcing its potential as the next mineable deposit:
 - 145,000 tonnes at 13.1 g/t gold and 3.1% antimony for 61,000 gold ounces and 4,500 tonnes of antimony
 - Equivalent to 96,000 gold equivalent ounces at a grade of 22.6 g/t.

At Björkdal

- Expansion of the extensive mineral system increased mine life to 10 years:
 - Increase of Mineral Reserves more than doubles 2024 depletion.
 - 125,600 gold ounces were added at a cost of \$33 per ounce.
- Exploration success at Storheden and Norrberget with growing Inferred Resources strengthening the pipeline of potential mineral inventory:
 - 11.7 million tonnes of combined Inferred Resources, containing 564,000 gold ounces.

QUALIFIED PERSONS

Disclosures of a scientific or technical nature in this MD&A in respect of each of the Company's material mineral resource properties were prepared by, or under the supervision of, Chris Davis (VP of Operational Geology & Exploration, MAusIMM CP (Geo), and a "qualified person" (as that term is defined in National Instrument 43-101).

OUTSTANDING SHARE DATA

The following are the issued and outstanding common shares and numbers of shares issuable under share-based compensation and warrants:

	As at May 07, 2025
Issued and outstanding common shares	94,662,503
Stock options	1,770,164
Restricted share units	953,559
Performance stock units	343,074
Deferred share units	564,332
Total	98,293,632

FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, trade receivables and other assets, reclamation and other deposits, derivative financial instruments, trade and other payables. The Company also periodically uses financial instruments to protect itself against future downward fluctuations in the prices of gold and antimony and against currency exchange rate fluctuations.

Financial Risk Management

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The Company has credit risk, which is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's accounts receivable and derivative financial instruments. The Company closely monitors extensions of credit and has not experienced significant credit losses in the past. As at March 31, 2025, the Company had no past overdue trade receivables of significance.

The Company is subject to interest rate risk on its cash and cash equivalents and believes that its results of operations, consolidated financial position and cash flows would not be significantly affected by a sudden change in market interest rates relative to the investment interest rates due to the short-term nature of the investments. Excess cash is invested in highly rated investment securities at fixed interest rates with varying terms to maturity but generally with maturities of three months or less from the date of purchase.

The Company reports its financial statements in US dollars. However, the Company's operations are located in Canada, Australia, Sweden, and Chile, where local costs are at least partially incurred in local currencies. As a consequence, the financial results of the Company's operations as reported in US dollars ("USD" or "US\$") are subject to changes in the value of the US dollar relative to the Canadian dollar ("CAD" or "C\$"), Australian dollar ("AUD" or "A\$"), Chilean peso ("CLP") and/or Swedish krona ("SEK"). The Company has at times entered into foreign exchange derivative contracts to limit exposure to exchange rate fluctuations. The Company's management assesses the Company's strategy towards its foreign exchange rate risk as needed, depending on market conditions.

Currency	Average Rate Q1 2025	Average Rate Q1 2024
1A\$ = C\$	0.9009	0.8870
1 A\$ = US\$	0.6274	0.6576
1 US\$ = C\$	1.4360	1.3488
1 US\$ = Chilean Peso	964	947
1 US\$ = SEK	10.6828	10.4025

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules, and include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted by the Company under Canadian securities legislation is accumulated and communicated to management, including the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), as appropriate, to permit timely decisions regarding required disclosure. Management, including the CEO and CFO, has evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures, as defined in the rules of the Canadian Securities Administrators, as at March 31, 2025. Based on this evaluation, management concluded that the Company’s disclosure controls and procedures were effective as at March 31, 2025.

Internal Controls and Financial Reporting

The Company’s management, with the participation of its CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. The Company evaluates the design and operational effectiveness of its internal controls over financial reporting as defined under NI 52-109 on a regular basis. The Company’s controls include policies and procedures that:

- relate to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company’s management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the annual financial statements or interim financial statements.

There has been no change in the Company’s design of internal controls and procedures over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting during the period covered by this MD&A.

Based on this evaluation, management concluded that the Company’s internal control over financial reporting was designed and operating effectively as at March 31, 2025, to provide reasonable assurance that the financial information is recorded, processed, summarized and reported in a timely manner.

Limitation of Controls and Procedures

The Company’s management, including its CEO and CFO, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur due to simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.