



**MANDALAY RESOURCES**

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**MANDALAY RESOURCES CORPORATION**

**NOTICE OF ANNUAL GENERAL MEETING  
TO BE HELD MAY 28, 2024**

**MANAGEMENT INFORMATION CIRCULAR  
DATED APRIL 18, 2024**

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## MANDALAY RESOURCES CORPORATION

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Mandalay Resources Corporation (“**Mandalay**” or the “**Company**”) will be held in a virtual-only format, which will be conducted via live audio webcast available online using <https://meetnow.global/MZMXV4F> on Tuesday, May 28, 2024, at 9:00 a.m. (Toronto time), for the following purposes:

- to receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2023, together with the report of the auditor thereon;
- to fix the board of directors of the Company at seven members and to elect directors of the Company for the ensuing year;
- to appoint an auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration; and
- to transact such other business as may properly come before the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Management Information Circular. The Management Information Circular is deemed to form part of this notice of meeting. Please read the Management Information Circular carefully before you vote on the matters being transacted at the Meeting.

Mandalay’s board of directors has set April 18, 2024 as the record date (the “**Record Date**”) for determining Shareholders entitled to receive notice of and to vote at the Meeting and at any postponement or adjournment thereof. Only holders of Common Shares as at the close of the business on the Record Date will be entitled to have their votes counted at the Meeting.

The Company is using “notice and access” delivery to furnish proxy materials to Shareholder via the Internet. Management of the Company believes that this delivery process will expedite Shareholders’ receipt of proxy materials and lower the costs and reduce the environmental impact of the Meeting. On or before April 26, 2024, the Company will send to Shareholders of record as of the Record Date a notice and access notification (the “**N&A Notice**”) containing instructions on how to access the Company’s proxy materials for the fiscal year ended December 31, 2023. The N&A Notice will also provide instructions on how to vote and how to receive a paper copy of the proxy materials by mail.

**Shareholders may attend the Meeting online. At the virtual meeting, registered shareholders and duly appointed proxyholders will have an opportunity to participate, to ask questions, and to vote, all in real time, at the Meeting through an online portal. Non-registered shareholders must carefully follow the procedures set out in the Management Information Circular in order to vote virtually and ask questions through the live audiocast. Guests, including non-registered Shareholders who have not been duly appointed as proxyholders, can log into the virtual Meeting as a guest. Guests may listen to the Meeting but will not be entitled to vote or ask questions during the Meeting.**

**The vast majority of our shareholders vote by proxy in advance of the meeting and we encourage shareholders to continue to vote in this manner using one of the methods described in the Management Information Circular. To**

be effective, the enclosed proxy must be received by the Company's transfer agent, Computershare Investor Services Inc. (according to the Instructions on the Form of Proxy), not later than 9:00 a.m. (Toronto time) on May 24, 2024, or forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment thereof.

DATED at Toronto, Ontario, this 18<sup>th</sup> day of April 2024.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Frazer Bouchier*"

Frazer Bouchier  
President, Chief Executive Officer and Director



## MANDALAY RESOURCES CORPORATION

### MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Mandalay Resources Corporation (“**Mandalay**” or the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of the shareholders of the Company (the “**Shareholders**”) to be held in a virtual-only format, which will be conducted via live audio webcast available online using <https://meetnow.global/MZMXV4F> on Tuesday, May 28, 2024 at 9:00 a.m. (Toronto time), and at any adjournment(s) thereof, for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”).

In this Circular: the “**Company**” means Mandalay Resources Corporation; “**Common Shares**” or “**shares**” means common shares in the capital of the Company; “**Shareholders**” means holders of Common Shares; you are a “**Registered Shareholder**” if your name appears on a share certificate or a Direct Registration System statement confirming your holdings. If you are a Registered Shareholder, you have received a “**Form of Proxy**” for this meeting. You are a “**Non-Registered Shareholder**” if your shares are held through an intermediary (broker, trustee or other financial institution). If you are a Non-Registered Shareholder, you have received a “**Voting Instruction Form**” for this meeting. Please make sure to follow instructions on your Voting Instruction Form to be able to attend and vote at this meeting.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The Company will use the “notice and access” delivery model (“**Notice and Access**”) to conduct the solicitation of proxies in connection with this Circular. Proxies may also be solicited personally or by telephone by individual directors of the Company or by officers and/or other employees of the Company. The Company will bear the cost in respect of the solicitation of proxies for the Meeting and will bear the legal, printing and other costs associated with the preparation of the Circular. The Company will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). This cost is expected to be nominal.

Copies of the Company’s audited consolidated financial statements for the year ended December 31, 2023 and current annual information form (“**AIF**”) are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR+**”) website at [www.sedarplus.ca](http://www.sedarplus.ca).

### Notice and Access

The Company is using Notice and Access for both registered holders and Beneficial Shareholders (as defined below), which allows the Company to furnish proxy materials via the Internet to Shareholders instead of mailing paper copies of such materials. Under Notice and Access, the Company can deliver proxy-related materials by (i) posting the Circular (and other proxy related materials) on a website other than SEDAR+ and (ii) sending a notice informing Shareholder that the Circular and proxy related materials have been posted and explaining how to access them (the “**N&A Notice**”).

On or before April 26, 2024, the Company will send to Shareholders of record as of the Record Date a notice package containing the N&A Notice and the relevant voting document (a form of proxy or voting instruction form) (collectively, the “**Meeting Materials**”). The N&A Notice will contain basic information about the Meeting and the matters to be voted on, instructions on how to access the Meeting Materials, an explanation of the Notice and Access process and details of how to obtain a paper copy of this Circular upon request at no cost.

### **Attending the Meeting Online**

Shareholders and duly appointed proxyholders can attend the meeting online by using <https://meetnow.global/MZMXV4F>.

- **Registered Shareholders and duly appointed proxyholders** can participate in the meeting by clicking “**Shareholder**” and entering a Control Number or an Invite Code before the start of the meeting.
  - Registered Shareholders: the 15-digit control number is located on the Form of Proxy or in the email notification you received.
  - Duly appointed proxyholders: Computershare Investor Services Inc. (“**Computershare**”) will provide the proxyholder with an Invite Code after the voting deadline has passed.
- Attending and voting at the meeting will only be available for Registered Shareholders and duly appointed proxyholders.
- **Non-Registered Shareholders** who have not appointed themselves as proxyholders to participate and vote at the meeting may login as a guest, by clicking on “Guest” and complete the online form; however, they will not be able to vote or submit questions.
- **Non-Registered Shareholders** who have not appointed themselves as proxyholders to participate and vote at the meeting will not be able to attend the meeting online.

**In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invite Code.**

The virtual meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). We encourage you to access the meeting prior to the start time. **It is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences.**

### **Participating in the Meeting**

The meeting will only be hosted online by way of a live webcast. A summary of the information Shareholders will need to attend the virtual meeting is provided below. The meeting will begin at 9:00 a.m. on May 28, 2024 (Toronto time).

- **Registered Shareholders and appointed proxyholders:** Only those who have a 15-digit control number, along with duly appointed proxyholders who were assigned an Invite Code by Computershare (see details under the heading “Appointment of proxies”), will be able to vote and submit questions during the meeting. To do so, please go to <https://meetnow.global/MZMXV4F> prior to the start of the meeting to login. Click on “Shareholder” and enter your 15-digit control number or click on “**Invitation**” and enter your Invite Code.
- **United States Beneficial Shareholders:** To attend and vote at the virtual meeting, you must first obtain a valid Legal Proxy from your broker, bank or other agent and then register in advance to attend the meeting. Follow the instructions from your broker or bank included with the Proxy materials or contact your broker or bank to request a Legal Form of Proxy. After first obtaining a valid Legal Proxy from your broker, bank or other agent, you must submit a copy of your Legal Proxy to Computershare in order to register to attend the meeting. Requests for registration should be sent:

By mail to: COMPUTERSHARE  
100 UNIVERSITY AVENUE 8<sup>TH</sup> FLOOR  
TORONTO, ON M5J 2Y1

By email at: [USLegalProxy@computershare.com](mailto:USLegalProxy@computershare.com)

Requests for registration must be labeled as “Legal Proxy” and be received no later than 9:00 a.m. (Toronto time) on May 22, 2023. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <https://meetnow.global/MZMXV4F> during the meeting. Please note that you are required to register your appointment at <http://www.computershare.com/MandalayResources>.

### **Appointment of Proxies**

Shareholders who wish to appoint a third-party proxyholder to represent them at the virtual meeting must submit their Proxy or Voting Instruction Form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted their Proxy/Voting Instruction Form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invite Code to participate in the meeting.

To register a proxyholder, Shareholders MUST visit <http://www.computershare.com/MandalayResources> by 9:00 a.m. (Toronto time) on May 24 2024, 9am and provide Computershare with their proxyholder’s contact information, so that Computershare may provide the proxyholder with a Invite Code via email.

**Without an Invite Code, proxyholders will not be able to attend and vote at the meeting.**

Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy.

**The persons named in the enclosed instruments of proxy are either representatives, directors or officers of the Company. Each Shareholder has the right to appoint a proxyholder other than the persons designated in the accompanying form of proxy furnished by the Company, who need not be a Shareholder, to attend and act for such Shareholder and on such Shareholder’s behalf at the Meeting. To exercise such right, the name of the Shareholder’s appointee should be legibly printed in the blank space provided in the accompanying form of proxy.**

### **Revocability of Proxy**

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy personally attends the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or such Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal, if applicable, or by an officer or attorney thereof duly authorized, and deposited at the office of the Company’s transfer agent, Computershare Investor Services Inc. by mail or hand delivery at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com) and entering the 15-digit control number located on the Proxy. The Proxy must be deposited with Computershare by no later than 9:00 a.m. (Toronto time) on May 24, 2024, or if the meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the commencement of such adjourned or postponed meeting.

### **Voting at the Meeting**

A Registered Shareholder (or a Non-Registered Shareholder) who has appointed themselves or appointed a third-party proxyholder to represent them at the meeting, will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for this meeting. To be able to vote their shares at the meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Invite Code provided by Computershare at <https://meetnow.global/MZMXV4F> prior to the start of the meeting.



In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder MUST register with Computershare at <http://www.computershare.com/MandalayResources> AFTER submitting their voting instruction form in order to receive an Invite Code (please see the information under the headings “Appointment of proxies” below for details).

### **Persons Making the Solicitation**

**The solicitation is made on behalf of the management of the Company.** The cost of solicitation by management will be borne by the Company. Proxies will be solicited by mail and may also be solicited personally or by telephone by the directors or officers of the Company, who will not be specifically remunerated therefor.

### **Exercise of Discretion by Proxy**

On the form of proxy, you can indicate how you want to vote your Common Shares, or you can let your proxyholder decide for you. If you give directions on how to vote your Common Shares on your form of proxy, your proxyholder must vote your Common Shares according to your instructions. If you have not specified how to vote on a particular matter on your form of proxy, your proxyholder can vote your Common Shares as he or she sees fit. If neither you nor your proxyholder gives specific instructions, your Common Shares will be voted **FOR each of the matters stated in the Notice of Meeting. If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Shareholder’s nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.**

### **Advice to Beneficial Shareholders**

The information set forth in this section is important to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own names. Shareholders who do not hold their Common Shares in their own names (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of the Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, investment dealer or other intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Company.

Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing & Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers, investment dealers or other intermediaries can only be voted (for or against resolutions) upon the Beneficial Shareholder’s instructions. Without specific instructions, brokers, investment dealers and other nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Company may not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires brokers, investment dealers and other nominees to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every investment dealer or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its investment dealer or other intermediary is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders on how to vote on behalf of the Beneficial Shareholder. The majority of investment dealers or other nominees now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”). Broadridge typically applies a decal to the proxy forms, mails those forms to the Beneficial Shareholders and asks

Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy with a Broadridge decal on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting to have the Common Shares voted.

**Beneficial Shareholders (other than Beneficial Shareholders who are duly appointed proxyholders) will not be admitted to the Meeting. Beneficial Shareholders are urged to vote their Common Shares in advance of the Meeting in accordance with the procedures and instructions received from Broadridge or other applicable intermediary. Beneficial Shareholders may listen to the Meeting using the live audioconferencing facilities described in this Circular.**

**INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

No director or executive officer of the Company, nor any person who has held such a position at any time since January 1, 2023, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

**VOTING SHARES AND PRINCIPAL SHAREHOLDERS**

The Board of Directors of the Company (the “**Board**”) has fixed the record date for determining Shareholders entitled to receive notice and to vote at the Meeting as the close of business on April 18, 2024 (the “**Record Date**”). Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The authorized capital of the Company consists of an unlimited number of Common Shares without nominal or par value. As of the Record Date, the Company had 93,084,551 issued and outstanding Common Shares. Each Common Share carries the right to one vote. The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “MND”.

As at the date of this Circular, to the knowledge of the directors and senior officers of the Company, except as set out in the table below, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of any class of voting securities of the Company, on a non-diluted basis.

<b>Name</b>	<b>Number of Common Shares Owned or Controlled or Directed</b>	<b>Percentage of Outstanding Common Shares</b>
CE Mining III MND Limited	23,236,296	25.0%
GMT Capital Corp.	18,004,488	19.3%
Ruffer LLP	17,344,688	18.6%
AzValor Asset Management SGIIC, S.A.U.	11,239,529	12.1%

As of the Record Date, the directors and executive officers of the Company, as a group, beneficially owned, or controlled or directed, directly or indirectly, approximately 24,524,961 Common Shares, representing approximately 26.35% of the outstanding Common Shares.

**QUORUM**

A quorum will be present at the Meeting if there are two persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED ON AT THE MEETING

The Meeting has been called for Shareholders to consider and, if thought appropriate, to pass resolutions in relation to each of the following matters:

### Financial Statements

The Company's audited consolidated financial statements for the fiscal year ended December 31, 2023, together with the auditor's reports thereon will be presented at the Meeting.

### Election of Directors

Directors of the Company are elected annually by the Shareholders. Seven directors are to be elected at the Meeting. Accordingly, at the Meeting, Shareholders will be asked to vote on an ordinary resolution to fix the Board at seven members and to elect seven directors. Each director elected will hold office until the conclusion of the next annual meeting or until his or her successor is appointed, unless his or her office is vacated earlier in accordance with the *Business Corporations Act* (British Columbia) (the "**Act**") and the articles of the Company.

#### **Majority Voting Policy**

The Board has adopted a policy that entitles each Shareholder to vote for each nominee on an individual basis. Each director should be elected by the vote of a majority of the Common Shares represented in person or proxy at the Meeting that are voted in respect of that director. If any nominee for election as director receives, from the Common Shares voted at the Meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the director will be expected to immediately tender his or her offer to resign to the Chair of the Board following the Meeting.

In such circumstances, the Compensation, Corporate Governance and Nominating Committee will expeditiously consider such director's offer to resign and make a recommendation to the Board whether to accept such director's offer to resign. Within 90 days of the Meeting, the Board will make a final decision concerning the acceptance of such director's offer to resign and promptly announce its decision and the reasons for its decision in a news release (a copy of which will be provided to the TSX). Absent exceptional circumstances, the Board will accept such director's offer to resign. Any director who tenders his or her offer to resign will not participate in the deliberations of the Board or any of its committees pertaining to the offer to resign.

The above process applies only in circumstances involving an "uncontested" election of directors – where the number of director nominees does not exceed the number of directors to be elected and where no proxy materials are circulated in support of one or more nominees who are not part of the slate supported by the Board for election at the meeting. If any director fails to tender his or her offer to resign as contemplated above, the Board will not re-nominate that director. Where the Board accepts the offer of resignation of a director, such resignation will, upon such acceptance, take effect immediately. The Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resulting vacancy unfilled until the next annual meeting of Shareholders, fill the vacancy by appointing a new director whom the Board consider merits the confidence of the Shareholders, or call a special meeting of Shareholders to elect a new nominee to fill the vacant position.

#### **Advance Notice Policy**

The Company has adopted an amended and restated advance notice policy (the "**Amended and Restated Advance Notice Policy**"), which requires advance notice to the Company in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (i) a proposal made in accordance with the Act; or (ii) a requisition of the Shareholders made in accordance with the Act. Among other things, the Amended and Restated Advance Notice Policy fixes a deadline by which Shareholders must submit director nominations to the corporate secretary of the Company prior to any annual or special meeting of Shareholders and sets forth the specific information that a Shareholder must include in such notice for an effective nomination to occur. Pursuant to the

Amended and Restated Advance Notice Policy, no person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Amended and Restated Advance Notice Policy.

Pursuant to the Amended and Restated Advance Notice Policy, in the case of an annual meeting of Shareholders, notice to the Company must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made by the Company, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

No director nominations were received pursuant to the Amended and Restated Advance Notice Policy prior to the date of this Circular.

### ***Nominees for Appointment***

The Board is currently comprised of seven directors. The articles of the Company provide for a minimum of three directors. The term of office for each of the Company's present directors expires at the conclusion of the Meeting. The Board approved the nomination of the individuals named below (each a "**Nominee**", and together the "**Nominees**") for election as directors. All seven of the Nominees are currently directors of the Company and have been since the dates indicated.

Each director will hold office until the conclusion of the next annual meeting of the Company, or until the director's successor is duly elected or appointed, unless the director's office is earlier vacated in accordance with the Company's by-laws of the director becomes disqualified to act as a director. Management does not contemplate that any of the Nominees will be unable to serve as a director. However, if a Nominee should be unable to serve as a director for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

**The Board recommends that shareholders vote FOR the election of the Nominees. In the absence of a contrary instruction, the persons named in in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

- Bradford Mills
- Abraham Jonker
- Amy Freedman
- Dominic Duffy
- Frazer Bouchier
- Julie Galloway
- Robert Doyle

**Bradford A. Mills****Status:** Chair and Non-Independent Director**Age:** 69**Residence:** Texas, United States of America**Joined Board:** September 25, 2009**Biography**

Mr. Mills has over 40 years of experience in the resource industry. He is the founder and managing director of Plinian Capital, a private equity firm whose principal business is investment in natural resources projects and companies. Mr. Mills served as the Chief Executive Officer (“CEO”) of Mandalay from 2009 and oversaw its transition to a producing gold company from 2010 onwards. He stepped down as CEO in 2016. From 2004 – 2009, Mr. Mills held the position of CEO of Lonmin Plc (GBX: LMI), the world’s number three platinum and platinum group metals producer. Prior to that, Mr. Mills served as president of the BHP Billiton’s copper group. Mr. Mills is currently a director of Circum Minerals, a private potash development company in Ethiopia and CNM, a private nickel-copper-cobalt-PGM producing company in Zambia. Mr. Mills was a director of Rambler Metals & Mining PLC, a mining company engaged in the development, mining and exploration of base and precious metals in Newfoundland and Labrador, Canada.

**Principal Occupation**

Founder of Plinian Capital

**Other Public Company Directorships** None

Securities Held as of April 18, 2024		Board and Committee Membership	2023 Attendance
Common Shares*	23,318,263	Board (Chair)	11 of 12 (92%)
Stock Options	Nil	Safety, Health and Environmental Committee	3 of 3 (100%)
Restricted Share Units	Nil		
Deferred Shared Units	109,628		

\*81,967 directly and 23,236,296 held in trust for CE Mining III LPs

**Abraham Jonker****Status:** Lead Independent Director**Age:** 56**Residence:** British Columbia, Canada**Joined Board:** August 6, 2010**Biography**

Mr. Abraham Jonker is an accomplished financial leader in the mining industry with almost 30 years of experience. He currently serves as the Lead Independent Director of the Board of Directors of Mandalay and NorthWest Copper Corp. (TSX: NWST) and as Chief Financial Officer (“**CFO**”) of Century Lithium Corp. (TSXV: LCE) and CoTec Holdings Corp. (TSXV: CTH). He has played a pivotal role in several business recoveries and restructurings, was a key team member in management and at the board level in the strategic growth of a number of public companies and has participated, raised and overseen the raising of more than \$750 million in debt and equity in the mining industry. Mr. Jonker is a registered Chartered Accountant as well as a member of the Chartered Institute of Management Accountants in the United Kingdom. He holds a Masters degree in South African and International Tax from the Rand Afrikaans University, South Africa.

**Principal Occupation**

CFO of Century Lithium Corp. and CoTec Holdings Corp.

**Other Public Company Directorships** Northwest Copper Corp.

<b>Securities Held as of April 18, 2024</b>		<b>Board and Committee Membership</b>	<b>2023 Attendance</b>
Common Shares	184,590	Board (Lead Independent Director)	12 of 12 (100%)
Stock Options	NIL	Audit Committee	4 of 4 (100%)
Restricted Share Units	NIL		
Deferred Share Units	109,628		

**Amy Freedman****Status:** Independent Director**Age:** 51**Residence:** Ontario, Canada**Joined Board:** May 24, 2016**Biography**

Ms. Freedman is an independent advisor with over 25 years of experience in the public capital markets. She currently is an advisor to Ewing Morris and Co. on Engagement Fund Investing. Ms. Freedman is also an advisor to Longacre Square Partners, a leading strategic communications firm based in New York. Ms. Freedman is a director of Canaccord Genuity Group Inc. and American Hotel Income Properties REIT. Previously, Ms. Freedman served as a director of Park Lawn Corporation 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.

**Principal Occupation**

Independent Advisor &amp; Corporate Director

**Other Public Directorships**

Canaccord Genuity Group Inc. (TSX: CF) since March 2023

American Hotel Income Properties REIT (TSX: HOT.UN, TSX: HOT.U, TSX:

HOT.DB.V) since October 2023

**Securities Held as of April 18, 2024****Board and Committee Membership****2023 Attendance**

Common Shares	169,705	Board	12 of 12 (100%)
Stock Options	Nil	Audit Committee	4 of 4 (100%)
Restricted Share Units	Nil	Compensation, Corporate Governance & Nominating Committee*	3 of 3 (100%)
Deferred Share Units	109,628		

\*Chair of Compensation, Corporate Governance &amp; Nominating Committee.

**Dominic Duffy****Status:** Non-Independent Director**Age:** 48**Residence:** Victoria, Australia**Joined Board:** May 14, 2018**Biography**

Mr. Duffy holds a B.Eng. in Mining Engineering from the University of New South Wales (Sydney, Australia). He has over 20 years experience working in a wide variety of operations in both technical and production roles and his work exposure has spanned across Australia, South America and Europe. He has a proven track record of operational turnarounds. Mr. Duffy joined Mandalay in 2010 where he oversaw the operational improvements at Costerfield, Björkdal and Cerro Bayo and served as President and CEO from 2018 to 2023. Prior to joining Mandalay, Mr. Duffy worked for Coeur d'Alene Mines and Hecla Mining Company in South America.

**Principal Occupation**

Corporate Director

**Other Public Directorships**

None

Securities Held as of April 18, 2024		Board and Committee Membership	2023 Attendance
Common Shares	365,908	Board	12 of 12 (100%)
Stock Options	872,801	Safety, Health and Environmental Committee* (Chair)	2 of 2 (100%)
Restricted Share Units	22,135		
Performance Share Units	44,270		
Deferred Share Units	63,590		

\*Joined the committee in May 2023 and appointed as chair of Safety, Health and Environmental Committee in August 2023.



**Frazer Bourchier****Status:** Non-Independent Director**Age:** 58**Residence:** Ontario, Canada**Joined Board:** April 3, 2023**Biography**

Mr. Bourchier is a registered professional engineer with over 34 years of domestic and international experience in the mining industry. His breadth of experience includes both operational field management and executive corporate oversight leadership. His public company and inter-company Board governance experience is further complemented by his McMaster University accredited Chartered Director Certification. Mr. Bourchier was previously President, CEO and a director of Harte Gold Corp. from late 2020 to early 2022 and Chief Operating Officer (“COO”) of Detour Gold for two years from 2018 to 2019. For six years from 2012 to 2017, Mr. Bourchier held the role of COO at Nevsun Resources. Preceding this successful tenure, Mr. Bourchier was an operational Executive for two years at Wheaton Precious Metals (formerly Silver Wheaton). For the first 16 years of his career, he worked at Placer Dome (subsequently Barrick Gold) where he held positions of increasing responsibility concluding as Mining Manager and then General Manager at the Porgera open pit gold mine in PNG. He has Bachelor’s and Master’s degrees in Applied Science and Engineering from the University of Toronto. Mr. Bourchier served as a director of Treasury Metals Inc. (TSX: TML) from August 2020 to March 2024.

**Principal Occupation**

President &amp; CEO of the Company

**Other Public Directorships**

None

Securities Held as of April 18, 2024		Board and Committee Membership	2023 Attendance
Common Shares	25,000	Board	9 of 9 (100%)
Stock Options	462,915		
Restricted Share Units	316,304		
Performance Share Units	341,653		
Deferred Share Units	Nil		

**Julie Galloway****Status:** Independent Director**Age:** 60**Residence:** Ontario, Canada**Joined Board:** May 26, 2021**Biography**

Ms. Galloway is a lawyer with over 25 years of corporate legal experience in the mining industry. From 2010 to 2019, she was the Senior Vice President, General Counsel and Corporate Secretary of Detour Gold Corporation. Prior to that, she served as Vice-President, General Counsel and Corporate Secretary at FNX Mining Company Inc. (2008 to 2010), Vice President, General Counsel for Dynatec Corporation (2005 to 2007) and in a number of legal positions, including Associate General Counsel and Corporate Secretary, with Noranda Inc. Falconbridge Ltd. (1995 to 2005). Since leaving Detour Gold, Ms. Galloway has provided legal assistance to a number of mining companies on a project basis. Ms. Galloway started her career at the law firm Blake, Cassels and Graydon. She received a B.A. (Hons.) in economics and political science from the University of Waterloo and an LL.B. from the University of Toronto.

**Principal Occupation**

Corporate Legal Counsel

**Other Public Directorships**

None

<b>Securities Held as of April 18, 2024</b>		<b>Board and Committee Membership</b>	<b>2023 Attendance</b>
Common Shares	Nil	Board	11 of 12 (92%)
Stock Options	Nil	Compensation, Corporate Governance & Nominating Committee	3 of 3 (100%)
Restricted Share Units	Nil		
Deferred Share Units	96,225	Safety, Health and Environmental Committee	3 of 3 (100%)

**Robert Doyle****Status:** Independent Director**Age:** 69**Residence:** Ontario, Canada**Joined Board:** April 21, 2010**Biography**

Mr. Doyle has over 40 years of experience in all facets of international resource exploration, development and production. Mr. Doyle served as a director of Detour Gold from 2010 until 2018, Golden Star Resources Ltd. from 2010 until 2021 and Caldas Gold from 2020 until 2021. He was CEO of Medoro Resources Limited until October 2009 and was Executive Vice President (“EVP”) prior to that. Previously, Mr. Doyle was CFO 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 an HBA in Business Administration from the Ivey School of Business, University of Western Ontario.

**Principal Occupation**

Corporate Director

**Other Public Directorships**

None

**Securities Held as of April 18, 2024 Board and Committee Membership****2023 Attendance**

Common Shares	257,825	Board	12 of 12 (100%)
Stock Options	Nil	Audit Committee (Chair)	4 of 4 (100%)
Restricted Share Units	Nil	Compensation, Corporate Governance & Nominating Committee	3 of 3 (100%)
Deferred Share Units	109,628		

### ***Orders, Penalties and Bankruptcies***

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) (the “**CCAA**”) pursuant to which Rambler Canada and its affiliates implemented a court supervised sale and investment solicitation process. The proceedings were and completed on December 11, 2023.

Mr. Bouchier was the President & CEO and a director of Harte Gold Corp. (“Harte”), which sought and obtained an initial order under 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.

Other than as described above, to the knowledge of the Company, as of the date hereof, no Nominee:

- (a) is, or has been, within 10 years before the date hereof, a director, CEO or CFO of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO, or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;
- (b) is, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while such Nominee was acting in that capacity, or within a year of such Nominee ceased 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
- (c) has, within 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, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Nominee.

For the purposes of the above section, the term “order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation

that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Company, as of the date hereof, no Nominee has been subject to:

- (a) 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 any other penalties or sanctions imposed by a court or regulatory body.

## Appointment of Auditors

Ernst & Young was the former auditor of the Company. Effective June 2, 2023, Ernst & Young LLP (“E&Y”) resigned as auditor of the Company and the Board appointed KPMG LLP (“KPMG”) of Toronto, Ontario as auditor of the Company to fill the vacancy.

A copy of the complete “reporting package”, as defined in section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”) consisting of the Company’s notice of change of auditors and letters of acknowledgement from E&Y and KPMG, with respect to the Company’s change of auditors was filed on SEDAR and is attached to this Information Circular as **Schedule A**. There has been no reportable disagreement between the Company and E&Y or KPMG and no qualified opinion or denial of opinion by E&Y or KPMG for the purpose of NI 51-102.

Management recommends the re-appointment of KPMG, Chartered Professional Accountants, of Toronto, Ontario, as auditor of the Company to hold office until the close of the next annual meeting of the Shareholders, or until their successor is otherwise appointed.

**The Board recommends that Shareholders vote FOR an ordinary resolution approving the re-appointment of KPMG as auditor of the Company and authorizing the Board, upon the recommendation of the Audit Committee, to fix their remuneration. Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of KPMG as the Company’s auditors, to hold office until the close of the Company’s next annual meeting of shareholders, and to authorize the Board, upon the recommendation of the Audit Committee, to fix their remuneration.**

## COMPENSATION

### Compensation Discussion and Analysis

#### *Introduction*

The Compensation Discussion and Analysis section of this Circular sets out the objectives of the Company’s arrangements, the Company’s executive compensation philosophy and the application of this philosophy to the Company’s executive compensation arrangements.

#### *Compensation Corporate Governance, and Nominating Committee*

In August 2010, the Company established the Compensation, Corporate Governance and Nominating Committee (as such committee relates to compensation matters, the “**Compensation Committee**”) to assist the Board with compensation, corporate governance and nominating matters. The Compensation Committee is responsible for oversight on, among other things:

- recruitment, development and retention of senior management;
- appointment, performance evaluation and compensation of senior management;
- succession, planning systems and processes relating to senior management; and
- compensation structure for the Board and senior management.

Adjustments in salary are reviewed by the Compensation Committee and recommended for approval to the Board.

The Compensation Committee is currently comprised of three members: Amy Freedman, Julie Galloway and Robert Doyle. All members are considered “independent” in accordance with the definition set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”).

## **Relevant Education and Experience**

### *Amy Freedman— Director*

Ms. Freedman is an independent advisor with over 25 years of experience in the public capital markets. She currently is an advisor to Ewing Morris and Co. on Engagement Fund Investing. Ms. Freedman is also an advisor to Longacre Square Partners, a leading strategic communications firm based in New York. Ms. Freedman is a director of Canaccord Genuity Group Inc. (TSX: CF) and American Hotel Income Properties REIT. Previously, Ms. Freedman served as a director of Park Lawn Corp (TSX: PLC) 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. In addition, at Kingsdale Ms. Freedman advised on NEO compensation structures, including design and policies pertaining to proxy advisory firms. Prior to Kingsdale Ms. Freedman spent 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.

### *Julie Galloway— Director*

Ms. Galloway has more than 25 years of experience working with executive management and the corporate governance and compensation committees of reporting issuers in the mining sector in establishing executive compensation programs. Ms. Galloway obtained a B.A. (Hons.) in economics and political science from the University of Waterloo and an LL.B. from the University of Toronto.

### *Robert Doyle— Director*

Mr. Doyle has over 40 years of experience in all facets of international resource exploration, development and production. Mr. Doyle served as a director of Detour Gold from 2010 until 2018, Golden Star Resources Ltd. from 2010 until 2021 and Caldas Gold from 2020 until 2021. He was CEO of Medoro Resources Limited until October 2009 and was EVP prior to that. Previously, Mr. Doyle was CFO 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 an HBA in Business Administration from the Ivey School of Business, University of Western Ontario.

## **Philosophy**

The Company believes that recruiting and retaining skilled and experienced executives is critical to the Company's success and to delivering value to shareholders. When determining compensation arrangements for Named Executive Officers ("NEO"), the following objectives are considered: (i) providing fair and competitive compensation; (ii) balancing the interests of management and shareholders; (iii) rewarding executive officers for superior corporate performance relative to objectives pre-approved by the Board; (iv) reflecting the Company's past performance and current state of development; and (v) be commensurate with the Company's financial ability to remunerate NEO.

Compensation serves to attract and retain the right talented people, influence thinking, behavior and action towards desired results and align with shareholder value creation. Ultimately, the Company strives to create the "experience of personal satisfaction that comes with high performance and recognition" in alignment with these values for its employees.

## **Benchmarking**

In determining the compensation level for each NEO, management and the Compensation Committee considers and balances factors such as the relative complexity of the executive's role within the organization; the executive's experience, performance and potential for future advancement; and ranges of pay across its peer group. Part of the Compensation Committee's objective is to establish compensation levels that are fair and reasonable, based in part on benchmarking against similar companies, but offering significant incentive for above-average performance.

The below listed peer group and table is as of December 15, 2022, that was used for determining the 2023 NEO compensation. As of the date of this Circular, several companies have ceased to exist due to mergers and acquisitions within the mining sector. The Company’s peer group is reviewed and updated periodically.

Selection criteria for the benchmarking peer group included:

- Industry (including gold, silver and base metal mining)
- Location of operations and company headquarters in Canada
- Financial indicators of size and strength, including production levels, market capitalization, revenues, assets and total shareholder return

<ul style="list-style-type: none"> <li>• Argonaut Gold Inc.</li> <li>• Aris Mining Corp.</li> <li>• Aura Minerals Inc.</li> <li>• Calibre Mining Corp.</li> </ul>	<ul style="list-style-type: none"> <li>• Jaguar Mining Inc.</li> <li>• Karora Resources</li> <li>• McEwen Mining Inc.</li> <li>• Robex Resources Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Superior Gold Inc.</li> <li>• Victoria Gold Corp.</li> <li>• Wesdome Gold Mines Ltd.</li> </ul>
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Percentile	Market Capitalization	2021 Production '000 Gold Equivalent Ounces	Total Shareholder Return December 5, 2022 – 3 Year Lookback
75 <sup>th</sup> Percentile	519	237	49%
Median	383	164	-4%
25 <sup>th</sup> Percentile	313	98	-34%
<b>Mandalay</b>	<b>197</b>	<b>123</b>	<b>157%</b>

### ***Compensation Consultant***

In 2020, the Compensation Committee retained Kingsdale Advisors (“**Kingsdale**”) to perform a one-time peer group analysis and recommend quantum of option grants and changes to the design of the NEO’s 2021 compensation.

In December 2023, the Compensation Committee retained Southlea Group LP (“**Southlea**”) to perform a one-time review of the effectiveness of the current compensation structure of the NEO’s 2024 compensation and a review of the peer group analysis.

### ***Elements of Compensation***

The compensation paid to the NEO in 2023 consisted of three primary components:

- base salary;
- short-term incentives in the form of annual cash bonuses; and
- long-term incentives in the form of stock options, restricted share units and performance share units.

### ***Base Salary***

Base salary recognizes the value of an individual to the Company based on his or her role, skill, experience, performance, leadership and potential. It is critical in attracting and retaining executive talent in the markets in which the Company competes for talent. Base salaries for the NEO, and other key employees, are reviewed by the Compensation Committee annually. Any change in base salary of a NEO is generally determined by an assessment of such executive’s performance, a review of the performance of the Company as a whole and the role the executive

officer played in corporate performance, as well base salaries at peer companies for comparable positions to the NEO.

*Short Term Incentive Plan (“STIP”)*

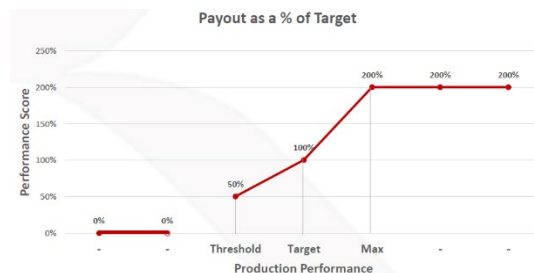
Executives of the Company and superintendents of each operation are eligible to receive annual cash bonuses based on financial and operating targets pre-approved each year by the Board. This form of short-term incentive motivates executives to achieve annual objectives each year that support sustainable delivery of shareholder value in alignment with our corporate values and key success variables.

Employees of the Company including mine site general managers, vice presidents and senior officers or executives of the Company approved by the Board (each a “Participant” and collectively, the “Participants”), are eligible to participate in the corporate STIP. In addition, General Managers and their direct reports are eligible to participate in a site level STIP, the operational targets for which are aligned with the corporate STIP targets also pre-approved and reviewed by the Board.

The corporate STIP rewards performance based on a scorecard that comprises of corporate objectives making up 90% of total STIP targets and the balance 10% allocated to personal objectives.

In 2021, the STIP was restructured to have a defined target opportunity for achieving target level of performance (i.e., budget), including lower and upper thresholds around such targets and a corresponding sliding scale payout for following corporate objectives.

Metric	Lower Threshold	Target (i.e., Budget)	Upper Threshold
Production	90%	100%	130%
Opex/ Capex	110%	100%	70%
Reserves	50%	100%	200%



In 2022, the overall design of the STIP remained the same as the previous year. However, the corporate STIP scorecard was restructured to include Environmental and Permitting metrics aligning it with the site level scorecards. This design remained the same for 2023 calendar year.

The table below sets out actual performance against STIP targets for the year ended December 31, 2023.

In February 2024, the Board approved a total corporate STIP payout of US\$414,177 on the recommendation of the Compensation Committee. The Board exercised its discretion to reduce the Corporate STIP payout below what was calculated for operating cost and capital cost targets. These targets were met in part due to missing budgeted mine and mill tonnes and deferred or rollover of capital cost to 2024 and that wasn’t the desired objective of these metrics.

2023 Metric	Lower Threshold	Target (Budget)	Upper Threshold	Weight (Target Score)	Actual 2023	Actual Score Obtained / Allocated by Board
<b>Production, Cost, Financial</b>						
Deliver at or higher than budget production (Au Eq. oz) <sup>(1)</sup>	100,216	111,351	144,756	20%	89,809	0%
Achieve at or under total company budget operational costs (USD’’000)— excl. inventory	\$119,660	\$108,782	\$76,147	20%	\$108,217	10.2%



2023 Metric	Lower Threshold	Target (Budget)	Upper Threshold	Weight (Target Score)	Actual 2023	Actual Score Obtained / Allocated by Board
Achieve at or under total company budget capital costs (USD'000)	\$49,072	\$44,611	\$31,228	10%	41,974	6.0%
<b>Reserves</b>						
Replace AuEq Depletion in reserves <sup>(2)</sup>	55,676	111,351	222,702	15%	53,000	0%
Significant exploration discovery, determined by CCGNC/Board				5%	-	0%
<b>Safety</b>						
Maintain LTIFR below 5 through Dec 2023				10%	2.0	10.0%
If any fatalities occur				-10%		
<b>Environmental &amp; Permitting</b>						
Obtain mining permit extension-- Björkdal				3%		3.0%
Obtain new exploration licence-- Costerfield				2%		2.0%
Meet permit levels for nitrate and nitrite				3%		0%
No environmental convictions or fines				2%		2.0%
<b>Personal Targets / Goals</b>						
3-4 Individual targets or goals to be established with direct supervisor <sup>(3)</sup>				10%		2% - 7%
<b>Total Bonus Available</b>				<b>100%</b>		<b>35.2% - 40.2%</b>

**Notes:**

- (1) Gold ounce equivalent production is calculated by multiplying the produced quantities of gold, and antimony in the period by the respective average market prices of the commodities in the period, adding the three amounts to get a "total contained value based on market price", and then dividing that total contained value by the average market price of gold in the period. Average gold price in the period is the average of the monthly LME PM fix and average antimony price is the average of the monthly high and low Rotterdam warehouse prices all reported in [www.metalbulletin.com](http://www.metalbulletin.com). The monthly commodity prices are calculated as the average of the daily prices, with holiday and weekend day prices carried forward from the last business day.
- (2) For corporate level Participants includes Reserves added via acquisition.
- (3) Range shows variation of results allocated to senior corporate management including NEOs.

**Long Term Incentive Plan ("LTIP")**

The Company's long-term incentives in the form of equity-based awards serve the Company's executive compensation philosophy by: (i) helping attract, retain, and motivate talent; (ii) aligning the interests of the NEO with total shareholder return by linking a specific portion of the NEO's total pay to share price appreciation; and (iii) providing long-term accountability for the NEO. Equity-based awards that are granted to the NEO take into account a number of factors, including the individual's position, scope of responsibility, recent performance and the value of awards in relation to other elements of the executive's total compensation. Grants of equity-based awards to the NEO are reviewed and approved annually by the Compensation Committee and the Board.

On May 20, 2020, the shareholders of the Company approved the Omnibus Plan which provides flexibility to the Company to grant equity-based incentive awards in the form of stock options, RSUs, PSUs and DSUs. The Omnibus Plan replaced the Company's Stock Option Plan and RSU 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 or restricted share units will be issued thereunder.

Starting in 2021, the NEOs of the Company were issued an LTIP mix of 25% stock options, 25% RSUs and 50% PSUs under the Omnibus Plan.

The following table details the key mechanics of stock options, RSUs and PSUs.

Type of LTIP	Term	Vesting Schedule
Stock Options	7 years	Vest 1/3 annually from the grant date
RSUs	3 years	Vest 1/3 annually from the grant date
PSUs	3 years	Vest 1/3 annually from the grant date subject to Mandalay's Total Shareholder Return ("TSR") performance over three years lookback against VanEck Vectors Junior Gold Miners ETF ("GDXJ Index"), on a sliding scale payout of: <ul style="list-style-type: none"> <li>a. 0% awarded at TSR below GDXJ Index,</li> <li>b. 50% of target award for TSR at par with GDXJ Index,</li> <li>c. 100% of target award for TSR 10% above GDXJ Index; and</li> <li>d. 200% of target award for TSR 30% above GDXJ Index.</li> </ul>

The following table provides each NEO's STIP and LTIP target as a percentage of base salary for the year ended December 31, 2023.

Name and Principal Position of NEO	Base Salary	Target STIP		Target LTIP		Total
	CDN\$	CDN\$	% of Base Salary	CDN\$	% of Base Salary	CDN\$
Frazer Bourchier <sup>(1)(2)</sup> President and CEO	472,465	472,465	100%	755,944	160%	1,700,874
Scott Trebilcock <sup>(3)</sup> EVP and Chief Development Officer	360,000	NIL	NIL	NIL	NIL	360,000
Nick Dwyer <sup>(4)</sup> CFO	302,018	256,715	85%	347,320	115%	906,053
Ryan Austerberry <sup>(5)</sup> COO	313,950	266,858	85%	361,043	115%	941,850
Chris Davis <sup>(6)</sup> VP, Operational Geology & Exploration	251,160	213,486	80%	251,160	100%	715,806

**Notes:**

- (1) On April 3, 2023, Frazer Bourchier replaced Mr. Duffy as President and CEO. Mr. Duffy was employed with the Company up until July 31, 2023, to help with the transition.
- (2) Mr. Bourchier's 2023 base salary was US\$350,000 and has been converted to CDN\$ using the yearly average exchange rate of US\$1 = CDN\$1.3499. In addition to the LTIP grant of 160% of the base salary, Mr. Bourchier also received a special initial one-time award of 225,000 PSUs on May 12, 2023, subject to vesting 1/3<sup>rd</sup> on second anniversary of the grant date and 2/3<sup>rd</sup> on the third anniversary of the grant date.
- (3) On November 1, 2023, Mr. Trebilcock was hired as EVP and Chief Development Officer ("CDO") and did not receive any STIP or LTIP in 2023. From April 6, 2023 to October 31, 2023, Mr. Trebilcock received \$207,726 for his consulting service with the Company.
- (4) On March 1, 2024, Hashim Ahmed replaced Mr. Dwyer as CFO.
- (5) Mr. Austerberry's 2023 base salary was AUD\$350,000 and has been converted to CDN\$ using the yearly average exchange rate of AU\$1 = CDN\$0.8970.
- (6) Mr. Davis' 2023 base salary was AUD\$280,000 and has been converted to CDN\$ using the yearly average exchange rate of AU\$1 = CDN\$0.8970.

## ***Compensation Related Risk***

In developing the Company's compensation programs, the Compensation Committee evaluates whether the compensation programs encourage excessive risk-taking and whether there are sufficient safeguards in place to manage risks.

Based on an assessment of existing risks within the Company, the Compensation Committee confirmed that there did not appear to be significant risks arising from the Company's executive compensation program that are reasonably likely to have a material adverse effect on Mandalay.

Key risk-mitigating features in the Company's compensation structure include:

- *Annual Review of Compensation Programs*

Mandalay conducts an annual review of its compensation strategy, including the pay philosophy and program design in consideration of business requirements, market practice, and appropriate pay governance.

- *Corporate and Individual Objectives*

The corporate and individual objectives established each year are, prior to approval by the Board, reviewed by the Compensation Committee to ensure they are aligned with the Company's priorities for the year. The objectives are also stress-tested to ensure payouts will be reasonable within the context of performance outcomes. Gold production and cost objectives are linked to further align management's interests with shareholders and prevent inappropriate risk-taking.

- *Regular Tracking and Reporting*

The Company regularly reviews, tracks and reports potential compensation payouts to the Compensation Committee throughout the year to effectively monitor performance and manage inherent risks.

- *Fixed versus Variable Compensation*

A significant portion of target total direct compensation is delivered through variable compensation. This framework provides a strong pay-for-performance link with a competitive "base" level of compensation through salary.

- *Short-and Long-Term Compensation*

Compensation paid to the Company's executive officers is spread between short-term incentives (annual incentive awards) and long-term incentives (RSUs, Options and PSUs) to mitigate the risk of too much emphasis on short-term goals at the expense of long-term sustainable performance.

- *Capped Incentive Plan Payouts*

The performance measures contained within the corporate component of the annual performance incentive award have a maximum payout cap.

- *Application of Discretion*

The Compensation Committee and the Board retain discretion to adjust individual performance objectives during the year to ensure they remain aligned with the evolving priorities of the Company in light of developments during the year. Discretion may also be exercised to override the calculated awards (ie: to increase or decrease payout levels) based on an overall assessment of both the Company's performance. This additional judgment ensures appropriate pay-for-performance alignment and provides flexibility to make reasonable exceptions when necessary.

- *Independent Compensation Advisor*

The Compensation Committee has the authority to retain an independent advisor to provide an external perspective of marketplace changes and best practices related to executive compensation design, governance and compensation risk management.

- *Clawback Policy*

In 2021, the Board adopted a Compensation Clawback Policy (“**Clawback Policy**”) in order to allow the Board to require, in specific situations, the reimbursement of short-term or long-term incentive compensation received by a member of management. If, at any time, either (i) the financial results of the Company are restated, other than a restatement caused by a change in applicable accounting rules or interpretations (the “**Restatement**”), or (ii) the Company’s financial results are found to be materially inaccurate (the “**Inaccuracy**”), the result of which (in either case) is that any performance-based compensation paid would have been a lower amount had it been calculated based on such restated results, the Company will review and consider the Restatement or Inaccuracy, as applicable, as well as any related performance-based compensation. If the Company determines that (i) any performance-based compensation actually paid or awarded to a member of management would have been lower had it been calculated based on such restated or accurate financial statements, and (ii) such member of management engaged in gross negligence, fraud or intentional misconduct which materially contributed to the Restatement or Inaccuracy, the Company shall recover all or a portion of any bonus or incentive compensation, or cancel all or part of it. Under the Clawback Policy, the Board shall not seek recovery to the extent it determines that (i) to do so would be unreasonable, or (ii) it would be better for the Company not to do so.

- *Financial Instruments*

The Company’s compensation program prohibits an NEO or a director from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NEO or director.

- *Responsible Mining*

The Company recognizes that Environmental, Social and Governance (“ESG”) risks are critical issues within the mining industry and continues to improve its reporting processes to better align with the Sustainability Standards Accounting Board (“SASB”) standards. In 2022, the Compensation Committee restructured the corporate STIP scorecard to include Environmental and Permitting metrics in addition to the Safety metrics that already formed part of the scorecard. The Company’s 2020 ESG report is available on the Company’s website, and Mandalay looks forward to publishing its 2023 ESG report.

In addition to the key risk-mitigating features in Mandalay’s compensation structure:

- Enterprise risk management is integrated within the Company’s policies and internal controls at both the corporate and mine site level.
- The Board Mandate articulates responsibility for adopting a strategic planning process and the Board’s approval and review of a strategic plan, on at least an annual basis, which takes into account the opportunities and risks of the business.
- The Board is responsible for risk oversight to ensure that the principal risks of the Company are identified and appropriate systems to monitor and manage those risks are implemented.
- Management also has an ongoing role in the development and implementation of policies and procedures to mitigate risks across the Company. Material risks, as well as mitigating features, and suggested courses of action are regularly identified by management and reported to the Board, including through the various committees of the Board.

- Mr. Doyle and Ms. Freedman, both of whom are members of the Compensation Committee, are also members of the Audit Committee and Ms. Galloway is also a member of the Safety, Health & Environmental Committee. These multiple committee memberships assist with the understanding of many of the overlapping considerations, risks and interpretation of issues that are relevant to all of these committees.

The Board and the Compensation Committee believe that the Company's compensation policies and practices are appropriate for its industry and stage of business and that such policies and practices do not have risks associated with them that are reasonably likely to have a material adverse effect on the Company or which would encourage an NEO to take inappropriate or excessive risks.

The Compensation Committee will continue to review the Company's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on the Company or encourage an NEO to take any inappropriate or excessive risks.

### **2023 Executive Compensation<sup>1</sup>**

The following table provides a summary of total compensation earned during each of the 12 month periods ended December 31, 2023, December 31, 2022 and December 31, 2021, respectively, by the Company's NEOs, being the CEO and CFO, and each of the three most highly compensated executive officers of the Company other than the CEO and CFO who was serving as such as at December 31, 2023 and whose total compensation was, individually, more than CDN\$150,000 and each other individual who would have been an NEO but for the fact that such individual was neither serving as an executive officer, nor acting in a similar capacity, as at December 31, 2023. The Company does not have any pension plan or incentive plans (whether equity or non-equity based) other than the Omnibus Plan, Stock Option Plan, RSU Plan and STIP.

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<sup>1</sup>The Company reports its financial results in US dollars. However, compensation paid to the NEOs is paid in American, Australian or Canadian currency. For the purposes of the "Executive Compensation" section of this Circular, and in accordance with s.1.3(a) of Form 51-102F6, compensation for all three years is reported in Canadian dollars. The average exchange rates used for disclosure for fiscal 2021 are US\$1 = CDN\$1.2534, AU\$1 = CDN\$0.9419 and AU\$1 = US\$0.7215, for fiscal 2022 are US\$1 = CDN\$1.3002, AU\$1 = CDN\$0.9032 and AU\$1 = US\$0.6950 and for fiscal 2023 are US\$1 = CDN\$1.3499, AU\$1 = CDN\$0.8970 and AU\$1 = US\$0.6645.

SUMMARY COMPENSATION TABLE									
Name and Principal Position of NEO	Year	Salary <sup>(1)</sup> CDN\$	Share-Based Awards <sup>(2)</sup> CDN\$	Option Based Awards <sup>(2)</sup> CDN\$	Non-Equity Incentive Plan Compensation CDN\$		Pension Value	All Other Compensation <sup>(4)</sup>	Total Compensation CDN\$
					Short-Term Incentive Plans <sup>(3)</sup>	Long-Term Incentive Plans			
Frazer Bouchier <sup>(5) (6)</sup> President and CEO	2023	353,156	971,951	141,676	142,211	NIL	NIL	4,074	1,613,068
Scott Trebilcock <sup>(7)</sup> EVP & CDO	2023	60,000	NIL	NIL	NIL	NIL	NIL	851	60,851
Nick Dwyer <sup>(8)</sup> Former CFO	2023	298,026	275,892	94,970	104,978	NIL	NIL	NIL	773,867
	2022	290,000	258,621	86,048	199,464	NIL	NIL	4,500	838,633
	2021	290,000	228,528	82,781	313,440	NIL	NIL	4,500	919,249
Ryan Austerberry <sup>(9)</sup> COO	2023	313,950	281,315	96,836	111,446	NIL	NIL	NIL	803,547
Chris Davis VP, Operational Geology & Exploration	2023	251,160	195,696	67,364	73,791	NIL	NIL	NIL	588,011
	2022	216,773	154,238	51,317	134,359	NIL	NIL	NIL	556,687
	2021	216,660	133,513	48,363	203,552	NIL	NIL	NIL	602,088
Dominic Duffy <sup>(5) (10)</sup> Former President and CEO	2023	523,791	NIL	NIL	NIL	NIL	NIL	4,500	528,291
	2022	443,975	527,917	175,649	316,786	NIL	NIL	4,500	1,468,827
	2021	443,975	457,873	165,857	492,362	NIL	NIL	4,500	1,564,567

Notes:

- (1) This column discloses the actual compensation earned during the fiscal year indicated.
- (2) The share-based awards set out the value of the RSUs and PSUs granted in its respective year. The option-based awards set out the Black-Scholes value of the options granted in its respective year. The value has been calculated using the same basis as disclosed in the notes to the Company's audited financial statements for the applicable year. The RSUs, PSUs and Stock Options vest 1/3<sup>rd</sup> annually from the grant date, with the PSUs subject to performance criteria set out in the "Compensation Discussion and Analysis" section of this Circular.
- (3) The 2023 STIP was paid in 2024, the 2022 STIP was paid in 2023 and 2021 STIP was paid in 2022.
- (4) All other compensation includes annual health spending benefits.
- (5) On April 3, 2023, Mr. Bouchier replaced Mr. Duffy as President and CEO. Mr. Duffy was employed with the Company up until July 31, 2023, to help with the transition.
- (6) In addition to the regular LTIP grant of 160% of the Base Salary, Mr. Bouchier also received a special initial one-time award of 225,000 PSUs on May 12, 2023, subject to vesting 1/3<sup>rd</sup> on second anniversary of the grant date and 2/3<sup>rd</sup> on the third anniversary of the grant date.
- (7) On November 1, 2023, Mr. Trebilcock was hired as EVP and CDO.
- (8) On March 1, 2024, Hashim Ahmed replaced Mr. Dwyer as CFO.
- (9) On December 15, 2022, Mr. Austerberry transitioned from General Manager, Costerfield to COO.
- (10) Mr. Duffy received director compensation starting August 1, 2023 following his departure as CEO. That compensation is disclosed separately under "Compensation of Directors" below. Mr. Duffy's 2023 base salary included an accrued vacation payout of CDN\$287,931 that was paid to him in connection with his departure as CEO.

### Named Executive Officer Outstanding Share-Based Awards and Option-Based Awards

The table below reflects all option-based awards for each NEO outstanding as at December 31, 2023.

Name and Principal Position of NEO	Grant Date	Number of Securities Underlying Unexercised Options	Option Exercise Price (CDN\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN\$) <sup>(1)</sup>
Frazer Bourchier <sup>(2)</sup> President and CEO	May 12, 2023	88,043	2.43	Jun 30, 2030	NIL
Scott Trebilcock <sup>(3)</sup> EVP & CDO	-	NIL	NIL	NIL	NIL
Nick Dwyer <sup>(4)</sup> Former CFO	February 23, 2023	47,238	2.63	June 30, 2030	NIL
	February 24, 2022	44,826	2.65	June 30, 2029	NIL
	February 25, 2021	49,311	2.14	June 30, 2028	NIL
	March 20, 2020	163,000	0.61	June 30, 2027	198,860
	April 8, 2019	80,000	1.10	June 30, 2026	58,400
	April 2, 2018	25,000	2.00	June 30, 2025	NIL
	March 27, 2017	20,000	6.00	June 30, 2024	NIL
Ryan Austerberry <sup>(5)</sup> COO	February 23, 2023	48,166	2.63	June 30, 2030	NIL
	February 24, 2022	39,634	2.65	June 30, 2029	NIL
	February 25, 2021	42,418	2.14	June 30, 2028	NIL
	March 20, 2020	80,000	0.61	June 30, 2027	97,600
	April 2, 2018	25,000	2.00	June 30, 2025	NIL
	March 27, 2017	20,000	6.00	June 30, 2024	NIL
Chris Davis VP, Operational Geology & Exploration	February 23, 2023	33,507	2.63	June 30, 2030	NIL
	February 24, 2022	26,733	2.65	June 30, 2029	NIL
	February 25, 2021	28,809	2.14	June 30, 2028	NIL
	March 20, 2020	26,666	0.61	June 30, 2027	32,533
Dominic Duffy <sup>(2)</sup> Former President and CEO	February 24, 2022	91,503	2.65	June 30, 2029	NIL
	February 25, 2021	98,798	2.14	June 30, 2028	NIL
	March 20, 2020	325,000	0.61	June 30, 2027	396,500
	April 8, 2019	180,000	1.10	June 30, 2026	131,400
	June 15, 2018	92,500	2.00	June 30, 2025	NIL
	April 2, 2018	45,000	2.00	June 30, 2025	NIL
	March 27, 2017	40,000	6.00	June 30, 2024	NIL

**Notes:**

- (1) This column contains the aggregate value of in-the-money unexercised options as at December 31, 2023, calculated based on the difference between the market price of the Common Shares underlying the options as at the close of day on December 31, 2023, being CDN\$1.83, and the exercise price of the options.
- (2) On April 3, 2023, Frazer Bourchier replaced Mr. Duffy as President and CEO. Mr. Duffy was employed with the Company up until July 31, 2023, to help with the transition.
- (3) On November 1, 2023, Mr. Trebilcock was hired as EVP and CDO.
- (4) On March 1, 2024, Hashim Ahmed replaced Mr. Dwyer as CFO.
- (5) On December 15, 2022, Mr. Austerberry transitioned from General Manager, Costerfield to COO of the Company. All options listed above up until 2022 were issued to Mr. Austerberry for his role as the General Manager, Costerfield.

The table below reflects all share-based awards for each NEO outstanding as at December 31, 2023.

Name and Principal Position of NEO	Grant Date	Number of shares or units of shares that have not vested (#)		Market or payout value of share-based awards that have not vested (CDN\$) <sup>(1)</sup>	
		RSU	PSU	RSU	PSU
Frazer Bourchier <sup>(2)</sup> President and CEO	May 12, 2023	58,327	341,653	106,738	625,225
Scott Trebilcock <sup>(3)</sup> EVP & CDO	-	NIL	NIL	NIL	NIL
Nick Dwyer <sup>(4)</sup> Former CFO	February 23, 2023 February 24, 2022 February 25, 2021	34,967 21,747 13,753	69,935 43,375 27,505	63,990 39,797 25,168	127,981 79,376 50,334
Ryan Austerberry <sup>(5)</sup> COO	February 23, 2023 -	35,655 NIL	71,309 NIL	65,249 NIL	130,495 NIL
Chris Davis VP, Operational Geology & Exploration	February 23, 2023 February 24, 2022 February 25, 2021	24,803 12,934 8,034	49,606 25,868 16,070	45,389 23,669 14,702	90,779 47,338 29,408
Dominic Duffy Former President and CEO	February 24, 2022 February 25, 2021	44,270 27,555	88,539 55,108	81,014 50,426	162,026 100,848

**Notes:**

- (1) This column contains the aggregate value of the unvested RSUs and PSUs as at December 31, 2023 calculated based on the market price of the Common Shares as at the close of day on December 31, 2023 of CDN\$1.83. and assuming target PSU metrics equals 10% above relative TSR to GDXJ = 1.0x.
- (2) On April 3, 2023, Frazer Bourchier replaced Mr. Duffy as President and CEO. Mr. Duffy was employed with the Company up until July 31, 2023 to help with the transition.
- (3) On November 1, 2023, Scott Trebilcock was hired as EVP and CDO.
- (4) On March 1, 2024, Hashim Ahmed replaced Mr. Dwyer as CFO.
- (5) On December 15, 2022, Mr. Austerberry transitioned from General Manager, Costerfield to COO of the Company.

**Value Vested or Earned During the Year**

The following table sets out, for each NEO: (a) the aggregate dollar value that was realized for RSUs and PSUs that vested in 2023; (b) the aggregate dollar value that would have been realized if all Options which vested during the fiscal year ended December 31, 2023 had been exercised on their respective vesting dates; and (c) the value of the non-equity incentive plan compensation earned during the fiscal year ended December 31, 2023.



Name and Principal Position of NEO	Option-Based Awards – Value Vested During Year Ended December 31, 2023 (CDN\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During Year Ended December 31, 2023 (CDN\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation – Value Earned During Year Ended December 31, 2023 (CDN\$) <sup>(3)</sup>
Frazer Bourchier <sup>(4)</sup> President and CEO	NIL	NIL	142,211
Scott Trebilcock <sup>(5)</sup> EVP & CDO	NIL	NIL	NIL
Nick Dwyer <sup>(6)</sup> Former CFO	98,431	329,586	104,978
Ryan Austerberry COO	51,765	NIL	111,446
Chris Davis VP, Operational Geology & Exploration	49,186	194,321	73,791
Dominic Duffy Former President and CEO	196,365	665,838	NIL

**Notes:**

- (1) This column contains the aggregate value of the Options vested during year ended December 31, 2023, calculated based on the difference between the market price of the Common Shares underlying the options as on the vesting date and the exercise price of the options.
- (2) This column contains the aggregate value of the RSUs and PSUs vested during year ended December 31, 2023, calculated based on the market price of the Common Shares underlying the RSUs and PSUs as on the vesting date. PSUs were awarded at 200% since Mandalay's 3-year TSR was more than 30% of GDXJ Index's 3-year TSR (MND 3-year TSR = 176% and GDXJ Index's 3-year TSR = -18%).
- (3) The non-equity incentive plan compensation amounts set out in this column represent STIP payouts received in 2024 based on 2023 performance. The 2023 yearly average exchange rate used for disclosure is US\$1 = CDN\$1.3499 and AU\$1 = US\$0.645.
- (4) On April 3, 2023, Frazer Bourchier replaced Mr. Duffy as President and CEO. Mr. Duffy was employed with the Company up until July 31, 2023 to help with the transition.
- (5) On November 1, 2023, Scott Trebilcock was hired as EVP and CDO.
- (6) On March 1, 2024, Hashim Ahmed replaced Mr. Dwyer as CFO.

For a description of the material terms of the Stock Option Plan, please refer to “Renewal of the Company’s Stock Option Plan – Summary of the Stock Option Plan” in the Company’s management information circular dated April 11, 2017. For a description of the RSU Plan, please refer to “Ratification of the Company’s Restricted Share Unit Plan – Description of the RSU Plan” in the Company’s management information circular dated April 11, 2017. For a description of the Omnibus Plan, please refer to “Omnibus Equity Incentive Plan – Key Terms of the Omnibus Equity Incentive Plan” in the Company’s management information circular dated April 3, 2020. For a description of the material terms of the non-equity incentive plan compensation, see “Compensation Discussion and Analysis – Annual Bonuses” in this Circular.

### Management Contracts and Termination

Each Named Executive Officer provides services to the Company under an employment agreement with the Company (the “**Executive Employment Agreements**”). Under the terms of each Executive Employment Agreement, a Named Executive Officer is entitled to:

- (a) an annual base salary that is reviewed annually by the Board;
- (b) the potential to earn annual cash incentive awards, as determined by the Board;
- (c) participation in the Company’s equity compensation plans;
- (d) participation in the Company’s benefit plans; and
- (e) vacation of five weeks for the CEO, CDO and CFO and four weeks for the COO and VP, Operational Geology and Exploration.

Each Executive Employment Agreement is for an indefinite term which continues unless it is terminated in accordance with its provisions by the Company or by the Named Executive Officer.

#### *Termination For Cause*

If an Executive Employment Agreement is terminated by the Company for cause or by the NEO (other than for “Good Reason”, in the case of the CDO), the NEO will be entitled to: (i) accrued and unpaid base salary; and (ii) accrued and unused vacation.

#### *Termination Without Cause*

If an Executive Employment Agreement is terminated by the Company without cause or Resignation for Good Reason, the NEO will be entitled to:

- accrued and unpaid base salary;
- accrued and unused vacation;
- the amount of the annual incentive award for the prior year to the extent earned and unpaid at the date of termination together with, in the case of each of the CEO and CDO, the amount of the NEO’s target annual incentive award in respect of the then current fiscal year, pro rated up to the date of termination; and
- the Severance Compensation (as defined below) in lieu of notice.

The Severance Compensation is:

- in the case of the CEO: (i) if the termination date occurs before the first anniversary of the effective date of his employment, an amount equal to the aggregate of 12 months’ of the CEO’s base salary plus an amount equal to the amount of the CEO’s target annual incentive award in respect of the then current fiscal year; or (ii) if the termination date occurs (A) on or after the first anniversary of the effective date of his employment or (B) following a change of control of Mandalay, an amount equal to the aggregate of 24 months’ of the CEO’s base salary plus an amount equal to two times the amount of the CEO’s target annual incentive award in respect of the then current fiscal year;
- in the case of the CDO: (i) if the termination date occurs before the first anniversary of the effective date of his employment, an amount equal to the aggregate of 6 months’ of the NEO’s base salary plus an amount equal to 0.5 times the amount of the NEO’s target annual incentive award in respect of the then current fiscal year; or (ii) if the termination date occurs on or after the first anniversary of the effective date of his employment, an amount equal to the aggregate of 18 months’ of the NEO’s base salary plus an amount equal to 1.5 times the amount of the NEO’s target annual incentive award in respect of the then current fiscal year; and
- in the case of the other NEOs, an amount equal to the aggregate of 24 months’ of the NEO’s base salary plus an amount equal to two times the amount of the NEO’s target annual incentive award in respect of the then current fiscal year.

In addition, all equity-based awards held by the NEO as of the date of termination shall be treated as follows:

- in the case of the CEO: (i) if the termination date occurs before the first anniversary of the effective date of his employment, in accordance with the terms of the terms of the Omnibus Plan; (ii) if the termination date occurs on or after the first anniversary of the effective date of his employment, the awards will continue to vest in accordance with their terms or, at the discretion of the Board, vesting may be accelerated to any date determined by the Board; or (iii) if the termination date occurs following a change of control of Mandalay, all unvested awards will automatically vest effective as of the termination date;

- in the case of the CDO: (i) if the termination date occurs before the first anniversary of the effective date of his employment, in accordance with the terms of the terms of the Omnibus Plan; (ii) if the termination date occurs on or after the first anniversary of the effective date of his employment, (A) all awards that are vested as of the termination date will be exercisable for a period of six months from the termination date or the expiry date of the awards, whichever occurs earlier and (B) all awards that are not vested as of the termination date will continue to vest in accordance with their terms for six months following the termination date, and any awards that vest during that six month period will be exercisable until the end of the six month period or the expiry date of the awards, whichever occurs earlier; and
- in the case of the other NEOs, all unvested awards held as of the date of termination will vest automatically on the date of termination.

Notwithstanding the above, in the case of the COO, if a change of control of Mandalay occurs and, within 12 months of the change of control the NEO's employment is terminated without cause or by the NEO for good reason:

- the Severance Compensation payable to the NEO will an amount equal to the aggregate of 24 months' of the NEO's base salary plus an amount equal to two times the amount of the NEO's target annual incentive award in respect of the then current fiscal year; and
- all unvested equity-based awards held by the NEO as of the termination date will immediately vest and, to the extent applicable, be exercisable for a period of six months from the termination date or until the expiry date of such awards, whichever occurs earlier.

The potential payments to each NEO in the event the NEO's employment is terminated by the Company without cause or by the NEO for Good Reason (all of which are in addition to benefits generally available to employees upon termination of employment such as payment of accrued and unused vacation), are set out in the following table. The amounts in the following table assume that the effective date of termination was December 31, 2023. The closing price of the Common Shares on the TSX on December 31, 2023 was CDN\$1.83.

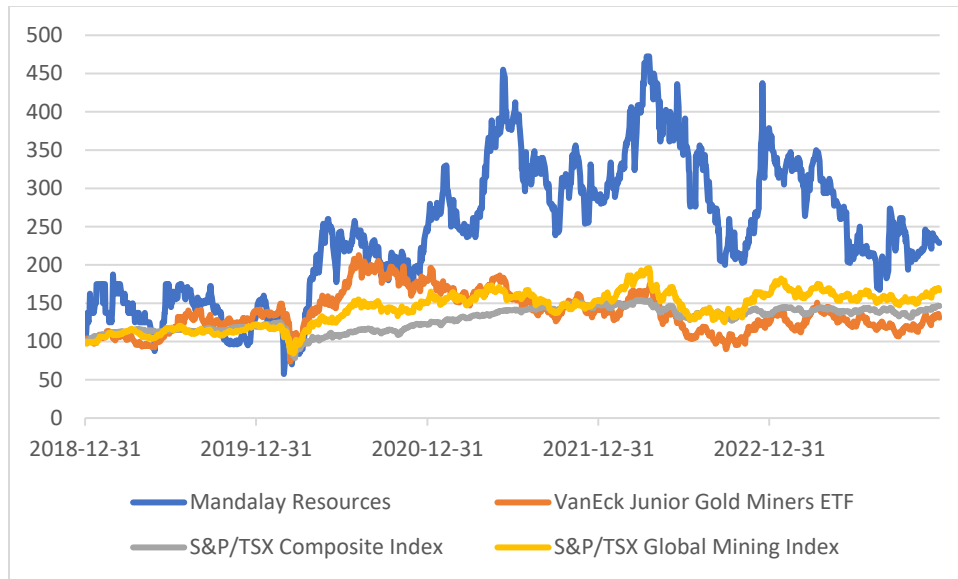
Name and Principal Position of NEO	Base (CDN\$)	STIP (CDN\$)	LTIP <sup>(1)</sup> (CDN\$)			Total (CDN\$)
			Options	RSUs	PSUs	
Frazer Bourchier <sup>(2)</sup> President and CEO	472,465	472,465	NIL	NIL	NIL	944,930
Scott Trebilcock EVP and CDO	180,000	NIL	NIL	NIL	NIL	180,000
Nick Dwyer Former CFO	604,035	513,430	257,260	128,955	257,691	1,761,371
Ryan Austerberry COO	627,900	533,715	97,600	65,249	130,495	1,454,959
Chris Davis VP, Operational Geology & Exploration	502,320	426,972	32,533	83,761	167,526	1,213,111

(1) The value of outstanding unvested stock options, RSUs and PSUs as at December 31, 2022 which would vest. This amount reflects the aggregate dollar value that would have been realized if the stock options, RSUs and PSUs which vested on December 31, 2022 as a result of the termination of employment were exercised on December 31, 2022, which value for options is based on the closing price of the Common Shares on the TSX on December 31, 2023 of CDN\$1.83.

(2) On April 3, 2023, Frazer Bourchier replaced Mr. Duffy as President and CEO.

## Performance Graph

The graph below compares the Company's cumulative total shareholder return, including dividends, (assuming an investment of CDN\$100 on December 31, 2018) on the Common Shares during the period from January 1, 2019 to December 31, 2023, with the VanEck Junior Gold Miners ETF (GDXJ), S&P/TSX Composite Index and S&P/TSX Global Mining Index (Total Return):



	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Mandalay Resources Corp.	\$100	135	248	289	353	229
VanEck Junior Gold Miners ETF	\$100	141	180	141	124	131
S&P/TSX Composite Index	\$100	119	123	148	136	146
S&P/TSX Global Mining Index	\$100	122	153	153	162	167

As discussed in the "Compensation Discussion and Analysis" section of this Circular, compensation for the NEOs consists of different elements. These include elements that do not directly correlate to the market price of the Common Shares such as the base salary and the STIP. However, the LTIP aligns the interests of the NEOs with TSR by linking a specific portion of the NEO's total pay to share price appreciation.

## Compensation of Directors

Directors are compensated for their services as directors through a combination of (a) an annual cash retainer and (b) an annual long-term equity grant.

Mr. Bourchier, being the Company's President and CEO, did not receive any compensation for being a director of the Company in 2023. Mr. Duffy was employed by the Company up until July 31, 2023, and did not receive any compensation for being a director of the Company during that time. See "Report on Executive Compensation" for information on the compensation paid to Mr. Bourchier and to Mr. Duffy in their capacities as President and CEO.

### Annual Cash Retainers

In 2023, the annual retainers paid to the Company's directors are shown in the chart below.

	<b>Director Fees For Year-ended December 31, 2023</b>
Board Member Fee	CDN\$ 60,000
Board of Directors Chair Fee	US\$ 150,000
Audit Committee Chair Fee	CDN\$ 10,000
Compensation, Corporate Governance and Nominating Committee Chair Fee	CDN\$ 10,000
Safety, Health and Environmental Committee Chair Fee	CDN\$ 10,000
Committee Member Fee	CDN\$ 5,000

Directors are also reimbursed for travel and other out-of-pocket expenses incurred in connection with attending meetings and otherwise carrying out their duties as directors of the Company.

### **Annual Equity Awards**

The Company provides long-term incentives to the non-executive directors in the form of DSUs pursuant to the Omnibus Plan. The Board believes that DSUs (i) align the interests of the non-executive directors with shareholders of the Company, (ii) reward non-executive directors of the Company for their sustained contributions to the Company, and (iii) assist in attracting, retaining and motivating non-executive directors to the Company. DSUs that are granted to the non-executive directors take into account a number of factors, including the amount and term of DSUs previously granted. Grants of DSUs are reviewed by the Compensation Committee annually. The DSUs vest 100% on the grant date.

For 2023, each director received an annual equity award of CDN\$60,000 in DSUs.

DSUs are a bookkeeping entry, with each DSU having the same value as a Common Share. The number of DSUs awarded is determined by dividing the value of the total DSU award to be granted by the volume weighted average trading price ("**VWAP**") of the Common Shares on the TSX for the five (5) business days prior to the date of grant. DSUs vest immediately upon grant but must be retained until the director leaves the Board, at which time the director will receive Common Shares or a cash payment equal to the then fair market value of the DSUs. The fair market value of each DSU on the payment date is equal to the VWAP of the Common Shares on the TSX for the five (5) business days prior to the payment date.

### **Director Summary Compensation Table**

The table below sets out the compensation paid to each director of the Company for the fiscal year ended December 31, 2023.

<b>Director</b>	<b>Fees Earned (CDN\$)</b>	<b>Option-Based Awards (CDN\$)</b>	<b>Share-Based Awards (CDN\$)</b>	<b>Non-Equity Incentive Plan Compensation (CDN\$)</b>	<b>All Other Compensation (CDN\$)</b>	<b>Total (CDN\$)</b>
Bradford A. Mills	212,517	NIL	60,000	NIL	NIL	272,517
Abraham Jonker	65,000	NIL	60,000	NIL	NIL	125,000
Amy Freedman	75,000	NIL	60,000	NIL	NIL	135,000
Dominic Duffy	26,832	NIL	60,000	NIL	NIL	86,832
Julie Galloway	70,000	NIL	60,000	NIL	NIL	130,000
Robert Doyle	75,000	NIL	60,000	NIL	NIL	135,000
Terry Ackerman	27,083	NIL	60,000	NIL	NIL	87,083

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets out, for each director, all previously granted awards that were outstanding as at December 31, 2023.

Director	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CDN\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (CAD\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (CDN\$)	Market or Payout Value of Share-Based Awards that have vested but have not been paid out or distributed (CDN\$) <sup>(1)</sup>
Bradford A. Mills	NIL	NIL	NIL	NIL	NIL	NIL	204,917
Abraham Jonker	NIL	NIL	NIL	NIL	NIL	NIL	204,917
Amy Freedman	NIL	NIL	NIL	NIL	NIL	NIL	204,917
Dominic Duffy	NIL	NIL	NIL	NIL	NIL	NIL	118,862
Julie Galloway	NIL	NIL	NIL	NIL	NIL	NIL	179,864
Robert Doyle	NIL	NIL	NIL	NIL	NIL	NIL	204,917

**Notes:**

- (1) The payout value of vested share-based awards was calculated using the VWAP of the Common Shares on the TSX for the five (5) business days prior to December 31, 2023 of CDN\$1.87.

### Value Vested or Earned During the Year

The table below sets out, for each director, the aggregate dollar value that would have been realized if all Options which vested during the fiscal year ended December 31, 2023 had been exercised on their respective vesting dates and if all RSUs and DSUs which vested during the fiscal year ended December 31, 2023 had been paid out on their respective vesting dates.

Director	Option-Based Awards – Value Vested in 2023 (CDN\$)	RSU-Based Awards – Value Vested in 2023 (CDN\$) <sup>(1)</sup>	DSU-Based Awards – Value Vested in 2023 (CDN\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation – Value Earned in 2023 (CDN\$)
Bradford A. Mills	NIL	61,477	60,000	NIL
Abraham Jonker	NIL	61,477	60,000	NIL
Amy Freedman	NIL	61,477	60,000	NIL
Dominic Duffy	NIL	NIL	60,000	NIL
Julie Galloway	NIL	NIL	60,000	NIL
Robert Doyle	NIL	61,477	60,000	NIL

**Notes:**

- (1) This column contains the aggregate value of the RSUs vested during year ended December 31, 2023, calculated based on the market price of the Common Shares underlying the RSUs on the vesting date, i.e. CDN\$2.25.
- (2) This column contains the aggregate value of the DSUs vested during year ended December 31, 2023, calculated based on the VWAP of the Common Shares on the TSX for the five (5) business days prior to vesting date of CDN\$2.63.

## REPORT ON CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201— *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but may be used by issuers in developing their own corporate governance practices.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-201**”), the Company has summarized its corporate governance practices below. The Board recognizes that the Company’s corporate governance policies, procedures and practices cannot be static and that further refinements may be necessary as applicable legal and regulatory requirements and the Company’s circumstances evolve. The Board will continue to monitor the Company’s corporate governance policies, procedures and practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

### Living Our Values

Mandalay’s mission is to build a long-lived, values-based and value-focused organization that is founded on safe and efficient work practices, continuous improvement, fiscal responsibility, and effective community relationships. Mandalay believes in Living Our Values and balancing outcomes and processes.

- SAFETY— Safety is paramount in all our decisions and actions, we proactively protect people and property.
- INTEGRITY— We are our word; we honor our commitments, we abide by applicable laws and live by high ethical standards.
- RESPONSIBILITY— We are responsible for our actions and their consequences, we operate with social and environmental responsibility and promote sustainable development.
- EXCELLENT PERFORMANCE & INNOVATION— We encourage excellence in everything we do, we create an environment where ideas and innovative methods to improve our processes and results are encouraged.
- VALUE CREATION— We aim to seek and seize every opportunity to create more value with our resources.
- AGILITY— We continuously seek out new opportunities and rapidly respond to new challenges.

### Board of Directors

The Board is currently comprised of seven directors: Bradford A. Mills, Abraham Jonker, Amy Freedman, Dominic Duffy, Frazer Bouchier, Julie Galloway and Robert Doyle. All are proposed to be nominated as directors at the Meeting. The Charter of the Board is set out in Schedule A hereto and can be viewed on the Company’s website at [www.mandalayresources.com](http://www.mandalayresources.com).

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as independent directors, within the meaning set out under National Instrument 52-110— *Audit Committees* (“**NI 52-110**”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of a company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

## Independence

The majority of the directors of the Board are independent except Bradford Mills, Dominic Duffy and Frazer Bouchier. Mr. Mills is not considered independent because he received consulting fees from the Company until 2022. Mr. Duffy is not considered independent because he was the President and CEO of the Company up until April 2, 2023. Mr. Bouchier is not considered independent because he is the President and CEO of the Company as of April 3, 2023. The remaining directors are considered to be independent directors since they are all independent of management and free from any material relationship with the Company. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2023, none of the independent directors have worked for the Company, received remuneration from the Company (other than in their capacity as directors) or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company.

The Chair of the Board, Bradford Mills, is not an independent director. Accordingly, the Board has appointed Abraham Jonker as lead independent director (the “**Lead Director**”). The role of the Lead Director includes, among other things, (i) organizing and presiding over *in camera* or other meetings of the independent directors and taking the lead in establishing the agenda for such meetings, and (ii) serving as the principal liaison between the independent directors and the Chair on matters where the Chair may be conflicted.

The Lead Director meets with all the non-executive directors of the Company for “in-camera” sessions scheduled after every meeting of the Board. The executive directors and members of management are not in attendance for these in-camera sessions.

## Board and Committee Meetings and Attendance

The chart below sets out details regarding attendance of the directors at the Board and committee meetings during 2023. In addition to the quarterly Board meetings the Board also conducted monthly update Board meetings during the year.

Director Name	Board	Audit Committee	Compensation, Corporate Governance and Nominating Committee	Safety, Health, Environmental and Community Committee	Total	
	Meetings Attended	Meetings Attended	Meetings Attended	Meetings Attended	Meetings Attended	Overall % Attendance
Bradford A. Mills	11/12	-	-	3/3	14/15	93%
Abraham Jonker	12/12	4/4	-	-	16/16	100%
Amy Freedman	12/12	4/4	3/3	-	19/19	100%
Dominic Duffy	12/12	-	-	-	12/12	100%
Frazer Bouchier	9/9	-	-	-	9/9	100%
Julie Galloway	11/12	-	3/3	3/3	18/18	94%
Robert Doyle	12/12	4/4	3/3	-	19/19	100%

## Skills and Experience

The following matrix sets out the skills and expertise that the Board considers important in fulfilling its oversight role in respect of the Company and the specific skills and expertise of each director nominee. It reflects the current strengths of the Board as a whole following an exercise with the Board to review and determine the strengths and weaknesses of the Board.

The Board has satisfied itself that the skills and expertise needed for oversight of the Company’s strategic design and other processes are represented in the skills matrix and in the search for a new director, candidates will be reviewed



in the context of the required skills to provide effective oversight. The specific skills and expertise are categorized into the following four areas, which align with the Company's strategy and long term vision: (i) strategic design; (ii) operational processes; (iii) stakeholder engagement; and (iv) scalability and infrastructure.

The matrix is reviewed at least once annually to (i) identify and evaluate the competencies and skills of its members based on the individual experience and background of each director and (ii) identify areas for strengthening the Board, if any, which will be addressed through the recruitment of new members. In assessing future Board candidates, in addition to the skills and expertise highlighted in the matrix, diversity is equally important.

	Abraham Jonker	Amy Freedman	Bradford A. Mills	Dominic Duffy	Frazer Bouchier	Julie Galloway	Robert Doyle
<b>Strategic Design</b>							
Mining Industry Global Strategic Planning	✓		✓	✓	✓	✓	✓
Safety Program Development & Public and Industrial Health			✓	✓	✓		
Risk Management	✓	✓	✓	✓	✓	✓	
Capital Markets and Finance	✓	✓	✓	✓		✓	✓
<b>Operational Processes</b>							
Geology and Exploration			✓	✓			
Mining and Production Planning & Marketing	✓		✓	✓	✓		
Metallurgy				✓	✓		
<b>Stakeholder Engagement</b>							
Local Community Relations and Environmental Management	✓		✓	✓		✓	
Corporate Communications	✓	✓	✓	✓		✓	✓
Employee Engagement, Diversity, Planning & Compensation Strategy		✓	✓	✓	✓	✓	
Labour relations	✓		✓	✓	✓	✓	
International & Local Government & NGO engagement	✓		✓	✓	✓	✓	✓
<b>Scalability and Infrastructure</b>							
IT Management and Security							
Global M&A Due Diligence, Execution and Integration	✓	✓		✓	✓	✓	✓
Accounting	✓	✓		✓			✓
Legal, Ethics and Governance	✓	✓	✓	✓	✓	✓	✓
<b>Statistics</b>							
Time Served as Director of Mandalay	13y 8m	8y	14y 7m	6y	1 Yr	3y	14y
Gender	M	F	M	M	M	F	M
Highest position of Responsibility reached	CEO	CEO	CEO	CEO	CEO	SVP	CEO
Principal Occupation	Corporate Director + CFO <sup>(1)</sup>	Independent Advisor + Corporate Director	Founder of Plinian Capital	Corporate Director	President & CEO of Mandalay	Corporate Legal Counsel	Corporate Director
Education	M. Comm.	MBA LLB	MS Geology	B.Eng.	BASc, MASc, Dir, P Eng	Hons BA, LLB	Honors BA
Public Boards Served on (Including Mandalay)	1	2	1	1	2	1	1
Independent Director	✓	✓				✓	✓

	<b>Abraham Jonker</b>	<b>Amy Freedman</b>	<b>Bradford A. Mills</b>	<b>Dominic Duffy</b>	<b>Frazer Bouchier</b>	<b>Julie Galloway</b>	<b>Robert Doyle</b>
<b>Global Exposure</b>							
Languages Spoken	English & Afrikaans	English	English, Spanish	English, Spanish	English	English	English
Countries resided in continuously for more than one year	Canada, South Africa & UK	Canada & US	Australia, Chile, UK & South Africa	Australia, Canada, Chile, Peru & Venezuela	Australia, Canada & South Africa	Canada	Canada
Countries within which have been responsible for P&L	Australia, Canada, South Africa, UK & US	-	Australia, Chile, Peru, South Africa & Sweden	Australia, Canada, Chile & Sweden	Canada	Canada	Canada, Chile, Colombia & Venezuela

Notes:

(1) CFO of Century Lithium Corp. & CoTec Holdings Corp.

## Diversity

The Company has adopted a policy regarding diversity on the Board (the “**Diversity Policy**”). The purpose of the Diversity Policy is to set forth the Company’s approach to achieving and maintaining diversity on its Board, with a specific emphasis on gender diversity. The Compensation Committee is responsible for identifying and recommending to the Board individuals qualified to become members of the Board. The Company recognizes the importance of diversity and the potential for diversity in the composition of the Board to advance the best interests of the Company. In this context, diversity may encompass a variety of dimensions (including, among other things, diversity in business and other professional expertise and experience, gender, age, ability, sexual orientation, geographic background, race and ethnicity), the relative importance of which may change from time to time.

### **Board of Directors**

Mandalay currently has two female directors on the Board. The Board achieved its goal of having a board composition in which females comprised at least 25% by 2021. The Board has not adopted an increased target for the representation of females on the Board at this time due to the size of the Board and the need to consider a host of criteria for each individual nominee. However, in the event the Board determines that nominating a new director would be in the best interests of the Company, it will identify qualified candidates who are best able to meet the needs of the Company and will take into consideration the value of further diversity on the Board.

### **Executive Officers**

Mandalay currently does not have any female executive officers.

Mandalay considers a range of factors, including gender, in making executive officer appointments and takes a non-exclusionary and inclusive approach to executive searches. There is no policy in place to provide additional consideration to women in executive officer positions and the Company does not intend to implement such a policy or to adopt a specific target for female representation among its executive officers.

At the same time, the Board acknowledges the importance of diversity, including gender diversity, among its executive officers and, furthermore, the compelling reasons and rationale to support initiatives that remove obstacles or roadblocks from women advancing in the mining industry across all stages of their career.

Mandalay intends to address women’s representation in executive officer positions by continuing to encourage a work environment where merit, experience, opportunity and diversity of thought is encouraged. Furthermore, Mandalay believes that particular attention ought to be given to encouraging female representation within the mining industry as a whole.

## Term Limits

The Company does not impose term limits on its directors, as it takes the view that term limits are an arbitrary mechanism for removing directors that can result in valuable, experienced directors being forced to leave the Board solely because of length of service. Instead, Board renewal is considered annually, as part of the annual director self-assessment process and subsequent review and assessment of the Board's skills and expertise required for oversight. The directors assess, on an annual basis, the skills and expertise required of the Board to provide effective oversight based on the overall composition of the Board. As at the date of this Circular, the Nominees' average tenure of Board membership is approximately 7 years.

## Other Reporting Issuer Directorships

The following table provides details regarding directors of the Company who are currently serving as directors of other reporting issuers or the equivalent in other jurisdictions:

Name of Director	Name of Other Reporting Issuer	Term of Directorship
Abraham Jonker	NorthWest Copper Corp.	Since September 2023
Amy Freedman	Canaccord Genuity Group Inc American Hotel Income Properties REIT	Since March 2023 Since October 2023

## Position Descriptions

The Board has adopted specific position descriptions for the Executive Chair of the Board, the Lead Director and each of the Committees of the Board and for the executive officers of the Company. These position descriptions are reviewed by the Board and respective committees on an annual basis.

Copies of these position descriptions can be accessed on the Company's website at [www.mandalayresources.com](http://www.mandalayresources.com).

## Orientation and Continuing Education

The Company has an orientation program in place that includes:

- written information about duties and responsibilities of directors in the form of a Board charter;
- presentations on business and operations of the Company;
- documents from recent Board meetings;
- recent filings and financial information;
- governance documents including policies and charters; and
- opportunities for meetings and discussion with senior management and other directors.

The Company established a formal continuing education program for its directors in 2012. The program seeks to ensure that the directors are informed about issues affecting the Company's business, the industry and governance and other related issues. The program includes, on an ongoing basis:

- presentations by senior management on matters such as safety, operations, explorations and business development;
- presentations by external advisors and experts on matters such as corporate governance developments; and
- site visits annually or every two years.

## Risk Oversight

Risk is a combination of external and internal factors that constantly change and evolve. The current risk management approach is designed to create visibility on the key material risks at the sites that could adversely impact the Company and prevent it from achieving its key operational and strategic priorities.

The General Manager of each property is responsible for identification and mitigation of their risks and have identified team leaders to manage and update risks on a quarterly basis. The CEO, COO and CFO are responsible for corporate risk identification and mitigation and to ensure all site level risks are identified and managed and communicated to the Board. The Board is responsible for risk oversight and requiring that the CEO and senior executives prioritize risk management so that management policies and procedures around risk are consistent with the Company's strategy and risk appetite. Annually the Company updates all material risks with a bottom up and top-down approach, and risks pertaining to the potential impact of COVID-19 pandemic and Ukraine conflict have been identified, and mitigating actions are in place.

For more disclosure regarding the Company's risks related to carbon emissions, energy, and water management and other ESG initiatives please refer to Mandalay's ESG report, [found here](#).

## Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics (the "**Code**") to assist all Company personnel in making ethical decisions regarding the Company's affairs. The Code can be accessed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.mandalayresources.com](http://www.mandalayresources.com). The Code addresses such matters as compliance with laws, conflicts of interest, confidential information, protection and proper use of Company assets, fair dealings, rules and regulations, workplace conduct and reporting of illegal and unethical behaviour. Annual certification is required by each director, officer and employee of the Company acknowledging compliance with the Code.

In addition, the Company adopted a Whistleblower Policy in December 2015. The policy governs the process through which the Company's employees, suppliers, customers and community members or government at all jurisdictions of operations and projects, can anonymously and confidentially report any potential violation or concern contrary to the Company's policies or local laws or regulations. Mandalay has retained the services of Whistle-Blower Security, an independent service provider to receive reports on an anonymous and confidential basis. The whistleblower policy can be accessed on the Company's website at [www.mandalayresources.com](http://www.mandalayresources.com).

Company personnel are encouraged to talk to supervisors, managers, or other appropriate personnel about observed illegal or unethical behaviour and, when in doubt, about the best course of action in a particular situation. The Company's policy is to prohibit retaliation for reports of misconduct by others made in good faith. Senior management of the Company is responsible for monitoring compliance with the Code and the Compensation, Corporate Governance and Nominating Committee (as such committee relates to governance matters, the "**Governance Committee**") is responsible for overall oversight. In particular, the Governance Committee is responsible for reviewing senior management's monitoring of compliance with the Code and granting any waivers from the application of the Code. No waivers have been granted since the adoption of the Code. At least annually, the Governance Committee reviews the adequacy of the Code and recommends any proposed changes to the Code to the Board for approval.

## Nomination of Directors

The Board has established a Compensation, Corporate Governance and Nominating Committee (as such committee relates to nominating matters, the "**Nomination Committee**") composed entirely of independent directors to assist the Board in discharging its mandate with respect to the identification and nomination of directors. The role of the Nomination Committee is to, among other things:

- develop and recommend to the Board criteria for selecting new directors;

- assist the Board by identifying qualified individuals to become members of the Board;
- recommend to the Board the director nominees for the next annual meeting of shareholders and for each committee of the Board, the chair of each committee;
- develop and recommend to the Board procedures for the conduct of Board meetings and the proper discharge of the Board’s mandate; and
- oversee the annual review of performance by the Board, its committees and the individual directors and assess the charters of the Board and its committees.

The responsibilities of the Nominating Committee in this regard include, among other things, the following:

- review the competencies, skills and personal qualities required of directors on an annual basis;
- oversee orientation and education for new directors;
- actively seek individuals qualified to become Board members;
- review and recommend membership and allocation of directors to committees;
- establish procedures for receipt of comments from all directors to be included in assessments of the Board’s performance; and
- if necessary, approve the engagement of independent advisors.

The Nomination Committee does not have a formal process for identifying new candidates for Board nominations. In assessing a potential nominee, the Nomination Committee considers the Board’s skills matrix and whether there are any areas for improvement, and the professional experience, education, skills, and viewpoints of the nominee and how those factors would contribute to expanding the collective knowledge and experience of the Board. The Nomination Committee considers that, while nominees should present a good fit with the existing Board in terms of their ability to work together to create shareholder value in a constructive way, diversity in opinion and gender diversity will contribute to the overall success of the Board and the Company as a whole. The Nomination Committee also consults with the CEO prior to making its recommendations to the Board.

## **Compensation**

The Compensation Committee, which is discussed in detail above, is comprised entirely of independent directors. The Compensation Committee conducts reviews with respect to directors’ compensation once a year. To make its recommendation on directors’ compensation, the Compensation Committee considers the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

## **Board Committees**

In addition to the Audit Committee (described in this Circular under “**Audit Committee Information**”) and the Compensation, Corporate Governance and Nominating Committee, the Board also has a Safety, Health, Environmental and Community Committee (the “**Safety Committee**”). The purpose of the Safety Committee is to assist the Board in management of Company policies, programs and systems relating to environmental, health and safety issues. The Safety Committee works with management to develop appropriate safety, health and environmental performance and metrics. The responsibilities of the Safety Committee include, among other things, the following:

- reviewing with senior management the Company’s goals and policies in respect of the environment and health and safety of employees and the community and providing oversight on the development and implementation of management systems relating to environmental, health and safety matters;

- ensuring that senior management has implemented an environmental and health and safety compliance audit program, which should provide an indication of the Company’s risk exposures, steps taken to monitor and control such exposures, the effect of relevant regulatory initiatives and trends and material claims, and request from senior management, periodic status reports on such program and provide feedback on necessary improvements to the program; and
- receiving environmental, health and safety reports from management that include any environmental, health and safety issues of a material nature, including details of incidents reports.

### **Assessments**

Annually, under the supervision of the Chair of the Compensation, Corporate Governance and Nominating Committee, the directors conduct a formal evaluation of the performance, effectiveness, skills, and expertise of the Board. Board renewal is also considered. Likewise, the members of each committee of the Board conduct a formal evaluation of the committees of the Board with which they are involved. As part of the evaluation process, each director completes questionnaires which require the director to assess the performance of the Board or the applicable committee. The questionnaires require input on the role, responsibilities and effectiveness of the Board/applicable committee(s), membership, conduct of meetings, performance of the Chair, and any improvements that could be made to enhance effectiveness. The questionnaire in respect of the Board includes a self-evaluation. The results of the evaluations are reviewed by the Compensation, Corporate Governance and Nominating Committee and reported to the Board.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

## **AUDIT COMMITTEE INFORMATION**

Pursuant to applicable laws, the Company is required to have an audit committee comprised of not less than three directors, all of whom must be independent and financially literate. The Audit Committee is responsible for the Company’s financial reporting process and the quality of its financial reporting. In addition to its other duties, the Audit Committee reviews all financial statements, annual and interim, intended for circulation among Shareholders and reports its findings to the Board. In addition, the Board may refer to the Audit Committee other matters and questions relating to the Company’s financial position. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management and the external auditors and monitors the independence of those auditors.

### **Audit Committee’s Charter**

The Audit Committee’s Charter can be accessed under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.mandalayresources.com](http://www.mandalayresources.com).

### **Composition of the Audit Committee**

The following directors are members of the Audit Committee:

Abraham Jonker	Independent	Financially literate <sup>(1)</sup>
Amy Freedman	Independent	Financially literate <sup>(1)</sup>
Robert Doyle	Independent	Financially literate <sup>(1)</sup>

**Notes:**

(1) As defined by NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

## **Relevant Education and Experience**

### ***Robert Doyle – Director***

Mr. Doyle has over 40 years of experience in all facets of international resource exploration, development and production. Mr. Doyle served as a director of Detour Gold from 2010 until 2018, Golden Star Resources Ltd. from 2010 until 2021 and Caldas Gold from 2020 until 2021. He was CEO of Medoro Resources Limited until October 2009 and was EVP prior to that. Previously, Mr. Doyle was CFO 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.

### ***Abraham Jonker – Director***

Mr. Jonker is a registered Chartered Accountant in British Columbia, (Canada), England and Wales as well as South Africa. He is also a member of the Chartered Institute of Management Accountants in the United Kingdom and holds a Masters degree in South African and International Tax from the Rand Afrikaans University. Mr. Jonker has almost 30 years of extensive management, accounting and corporate finance experience across five continents, mostly in the mining industry. Mr. Jonker currently serves as the Lead Independent Director of the Mandalay Board and NorthWest Copper and CFO of Century Lithium Corp. (formerly Cypress Development Corp.) and CoTec Holdings Corp. Previously he was the CFO of Nevada Copper Corp. and Western Coal Corp, at the time of its takeover by Walter Energy for \$3.3 billion. During his career Mr. Jonker has played a pivotal role in several business recoveries, has been a key team member at management level in the strategic growth of several public companies, has raised and overseen the raising of more than \$750 million in the form of equity and debt instruments and has been involved in corporate transactions aggregating several billion dollars.

### ***Amy Freedman – Director***

Ms. Freedman is an independent advisor with over 25 years of experience in the public capital markets. She currently is an advisor to Ewing Morris and Co. on Engagement Fund Investing. Ms. Freedman is also an advisor to Longacre Square Partners, a leading strategic communications firm based in New York. Ms. Freedman is a director of Canaccord Genuity Group Inc. and American Hotel Income Properties REIT. Previously, Ms. Freedman was a director of Park Lawn Corporation 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.

## **Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and pre-approve the provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chair of the Audit Committee deems as necessary, and the Chair of the Audit Committee will notify the other members of the Audit Committee of such non-audit or additional work.

## **External Audit Service Fees**

The following table sets forth fees paid by the Company to Ernst & Young LLP for 2023 and 2022 and KPMG for 2023 were as follows. KPMG was appointed as auditor of the Company on June 2, 2023.

	Fiscal Year Ended December 31, 2023 (CDN\$)	Fiscal Year Ended December 31, 2022 (CDN\$)
Audit Fees	642,097	681,100
Audit-related Fees	-	-
Tax Fees	69,477	80,850
All Other Fees	23,449	-
Total	735,023	761,950

**Notes:**

- (1) "Audit Fees" include assurance and services related to the performance of the audit or review of financial statements.  
(2) "Tax Fees" include tax compliance, tax advice and tax planning.

## OTHER INFORMATION

### Equity Compensation Plan Information

The table below provides information with respect to compensation plans under which equity securities of the Company were authorized for issuance as at December 31, 2023.

Plan Category Equity compensation plans approved by security holders	Securities to be issued upon Exercise of Outstanding Option Rights (#)	Weighted-Average Exercise Price of Outstanding Options (CDN\$/Security)	Securities remaining Available for future issuance under Equity Compensation Plans (#) <sup>(1)</sup>
Stock Option Plan	1,334,166	1.49	-
RSUs Plan	NIL	N/A	-
Omnibus Plan	2,424,490	2.46	5,529,737
Equity compensation plans not approved by securities holders	NIL	NIL	NIL
<b>Total</b>	<b>3,758,656</b>	<b>1.97</b>	<b>5,529,737</b>

**Notes:**

- (1) The total number of Common Shares issuable 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.

### Burn Rates

The table below reflects the annual burn rate calculated in accordance with s. 613(d) of the TSX Company Manual, of each of the Company's security-based compensation arrangements for each of the years ended December 31, 2021, December 31, 2022 and December 31, 2023, respectively. The burn rate for each year is calculated as the number of units issued in such year divided by the weighted average number of Common Shares outstanding for such year.

	2021		2022		2023		3-Year Average
	# Granted	Burn Rate	# Granted	Burn Rate	# Granted	Burn Rate	
<b>Stock Options</b>	328,173	0.36%	295,175	0.32%	340,731	0.37%	0.35%



	2021		2022		2023		3-Year Average
	# Granted	Burn Rate	# Granted	Burn Rate	# Granted	Burn Rate	
<b>RSUs</b>	168,025	0.18%	118,157	0.13%	153,752	0.17%	0.16%
<b>PSUs</b>	336,049	0.37%	236,673	0.26%	532,503	0.57%	0.40%
<b>DSUs</b>	150,148	0.16%	136,044	0.15%	159,999	0.17%	0.16%

Note:

- 1) The weighted average number of Common Shares outstanding for year-ended for December 31, 2021 was 91,471,000 and for December 31, 2022 was 92,131,513 and for December 31, 2024 was 92,883,925.

### **Indebtedness of Directors and Officers**

The Company does not make personal loans or extend credit to its directors or officers. None of the directors or officers of the Company and no associates or affiliates of any of them, nor any proposed Nominee, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the fiscal year ended December 31, 2022.

### **Interest of Informed Persons in Material Transactions**

Other than as set forth in this Circular, or the consolidated audited financial statements of the Company for the fiscal year ended December 31, 2023, which can be accessed under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), or otherwise set out herein, for the fiscal year ended December 31, 2023, to the date hereof, "informed persons" (as such term is defined in National Instrument 51-102) of the Company, proposed directors and associates and affiliates of any such persons did not have an interest in any transactions or proposed transactions which have materially affected or would materially affect the Company or any of its subsidiaries.

### **Director's and Officers' Liability Insurance and Indemnification**

Mandalay's articles provide that the Company will indemnify a director or officer, a former director or officer, and his or her heirs and legal representatives to the fullest extent permitted by the Act.

Mandalay maintains a Directors' and Officers' Liability insurance program for the benefit of its directors and officers. This provides coverage for loss that a director or officer becomes legally obligated to pay on account of a claim made against them from an alleged or actual wrongful act committed in their executive capacity, subject to certain limitations contained in the Act.

The current policy of insurance is in effect until July 1, 2024. The annualized premium for such insurance is approximately USD\$106,642. No portion of the premium is directly paid by any of the directors or officers of the Company.

The aggregate insurance coverage under the policy for both directors and officers is USD\$35 million, comprised of \$10 million in primary insurance, USD\$10 million first excess insurance, \$10 million second excess and USD\$5 million side A insurance, subject to a deductible amount of USD\$500,000 for each loss. The policy contains standard industry exclusions. No claims have been made or paid to date under the policy.

Although Mandalay maintains insurance in amounts that it believes to be reasonable, the Company's insurance might not cover all the potential risks associated with its business. The Company may be unable to maintain insurance to cover certain risks at economically feasible premiums or insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

## Shareholder Proposals

In order to be included in proxy materials for the Company's 2024 annual meeting of shareholders, shareholder proposals must be received by the Company at its registered office no later than February 28, 2025. The Company's registered office is Suite 330 – 76 Richmond Street East, Toronto, Ontario, M5C 1P1.

## Register and Transfer Agent

Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, ON M5J 2Y1, is the registrar and transfer agent for the Common Shares.

## Additional Information

Additional information relating to the Company can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information is provided in the Company's comparative annual financial statements and management discussion and analysis for the Company's most recently completed financial year. Copies of the Company's financial statements and management discussion and analysis may be obtained, without charge, upon request to the Company at Suite 330 – 76 Richmond Street East, Toronto, Ontario, M5C 1P1.

## BOARD APPROVAL

The contents and the sending of this Circular have been approved by the Board.

**DATED at Toronto, Ontario this 18<sup>th</sup> day of April, 2024.**

*(signed) "Frazer Bourchier"*

Frazer Bourchier  
President and Chief Executive Officer

**SCHEDULE A**

**CHANGE OF AUDITOR REPORTING PACKAGE**

See attached.



**June 1, 2023**

Ernst & Young LLP  
Ernst & Young Tower,  
222 Bay Street, P. O. Box 251,  
Toronto, ON M5K 1J7  
Canada

- and -

KPMG LLP  
Bay Adelaide Centre  
333 Bay St., #4600  
Toronto, ON M5H 2S5  
Canada

**Re: Notice of Change of Auditor – Mandalay Resources Corporation (the “Corporation”)**

This Notice is made pursuant to section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”).

1. The Board of Directors of the Corporation has requested and has accepted the resignation of its auditor, **Ernst & Young LLP**, effective **June 2, 2023** and **KPMG LLP** has been appointed the Corporation’s auditor in respect of such vacancy to hold office until the next annual meeting of shareholders of the Corporation.
2. There have been no reservations in the reports of Ernst & Young LLP on the financial statements of the Corporation for the two most recently completed fiscal years preceding the date of this Notice.
3. Ernst & Young LLP has not issued any report on any financial statements for the period from December 31, 2022 and ending on the date of Ernst & Young LLP’s resignation as auditor; and
4. In the opinion of the Corporation, there have been no reportable events (as defined in NI 51-102) that have occurred in connection with the audits conducted for the two most recently completed fiscal years or in the subsequent period preceding the date of this Notice.

Yours very truly,

MANDALAY RESOURCES CORPORATION

Per:

A handwritten signature in black ink, appearing to read 'Nick Dwyer', is written over a horizontal line.

Name: Nick Dwyer

Title: Chief Financial Officer



KPMG LLP  
Bay Adelaide Centre  
Suite 4600  
333 Bay Street  
Toronto ON M5H 2S5  
Tel 416-777-8500  
Fax 416-777-8818  
www.kpmg.ca

Ashraf Zineldin  
Ernst & Young LLP  
Ernst & Young Tower,  
222 Bay Street, P. O. Box 251,  
Toronto, ON M5K 1J7  
Canada

June 2, 2023

Dear Sir(s)/Madame(s),

We have been informed by Mr. Nick Dwyer, Chief Financial Officer of Mandalay Resources Corporation that its Board of Directors has resolved to propose that we be appointed as auditors of the entity.

Please let us know of any circumstances that we should take into account, which might influence our decision whether or not to accept this engagement.

In particular, whether there are:

- Information that might bear on the integrity of management.
- Disagreements with management about accounting policies, auditing procedures, or other similarly significant matters.
- Communications to those charged with governance regarding fraud and non-compliance with laws or regulations by the entity.
- Communications to management and those charged with governance regarding significant deficiencies in internal control.
- Your understanding about the reasons for the change in auditor.

Yours sincerely

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants



Ernst & Young LLP  
EY Tower  
100 Adelaide Street West, PO Box 1  
Toronto, ON M5H 0B3

Tel: +1 416 864 1234  
Fax: +1 416 864 1174  
ey.com

June 12, 2023

Ontario Securities Commission  
British Columbia Securities Commission  
Alberta Securities Commission  
Financial and Consumer Affairs Authority of Saskatchewan  
The Manitoba Securities Commission  
Autorité des marchés financiers  
New Brunswick Financial and Consumer Services Commission  
Nova Scotia Securities Commission  
The Office of the Superintendent of Securities, Consumer, Corporate and Insurance Services  
Division, Prince Edward Island  
Office of the Superintendent of Securities, Service Newfoundland & Labrador  
Office of the Yukon Superintendent of Securities  
Office of the Superintendent of Securities, Northwest Territories  
Office of the Superintendent of Securities, Nunavut

Dear Sirs/Mesdames:

Re: Mandalay Resources Corporation  
Notice of Change of Auditor dated June 1, 2023

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Pursuant to National Instrument 51-102 (Part 4.11), we have read the above-noted Notice of Change of Auditor and confirm our agreement with the information contained in the Notice pertaining to our firm.

Yours sincerely,

Chartered Professional Accountants  
Licensed Public Accountants

cc: The Board of Directors, Mandalay Resources Corporation

## **SCHEDULE B**

### **MANDALAY RESOURCES CORPORATION (the “Company”)**

#### **BOARD OF DIRECTORS CHARTER**

##### **PURPOSE**

The Board of Directors is elected by the Company’s shareholders to supervise the affairs of the Company and ensure management of the business in the best interests of the Company. The Board of Directors shall:

- Review and approve the strategic plan and business objectives of the Company that are submitted by senior management and monitor the implementation by senior management of the strategic plan. During at least one meeting each year, the Board of Directors will review the Company’s long-term strategic plans and the principal issues that the Company expects to face in the future.
- Review and ensure that the principal strategic, operational, reporting and compliance risks for the Company are identified and understood. It will oversee processes and accountabilities for identifying, assessing, monitoring and managing risks.
- At least annually, obtain from senior management a report specifying the management and mitigation of the principal risks of the Corporation.
- Review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board of Directors in a timely fashion.
- Ensure, with the assistance of the Corporate Governance and Nominating Committee, the effective functioning of the Board of Directors and its committees, in compliance with corporate governance requirements of applicable legislation, and ensure that the Corporate Governance and Nominating Committee review such compliance periodically.
- Ensure that internal controls and management information systems for the Company are in place and are reviewed and evaluated periodically on the initiative of the Audit Committee.
- Adopt an annual budget and approve all major expenditures above set authorization limits not included in the annual budget;
- Oversee the Company’s continuous disclosure program to ensure timely disclosure to regulators, stock exchanges and stakeholders;
- Appoint the CEO and assess the performance of the CEO and other members of the Company’s senior management and periodically monitor the CEO’s compensation and that of other senior management members based on determinations and recommendations made by the Compensation Committee.
- Ensure that the Company has in place a policy for effective communication with shareholders, other stakeholders and the public generally.

- Review and, where appropriate, approve the recommendations made by the various committees of the Board of Directors, including, without limitation, to: select nominees for election to the Board of Directors; appoint directors to fill vacancies on the Board of Directors; appoint members of the various committees of the Board of Directors; and, establish the form and amount of director compensation.

#### **COMPOSITION**

The Board of Directors collectively should possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the Company's business. The Board of Directors should be comprised of that number of individuals which will permit the Board of Directors' effective functioning. The appointment and removal of directors shall occur in accordance with the Company's by-laws. A majority of the Board of Directors should meet the independence requirements of applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators. The Board of Directors has adopted a set of categorical standards for determining whether directors satisfy those requirements for independence. A copy of those standards is attached as **Appendix A**. The Board of Directors, upon the recommendation of the Corporate Governance and Nominating Committee, shall designate the Chair by majority vote of the Board of Directors.

#### **MEETINGS**

The Board of Directors shall meet at least four times each year and more frequently as circumstances require. All members of the Board of Directors should strive to be at all meetings. The Board of Directors may meet separately, periodically, without senior management, and may request any member of the Company's senior management or the Company's outside counsel or independent auditor to attend meetings of the Board of Directors or with advisors thereto.

#### **COMMITTEES**

The Board of Directors may delegate authority to individual directors and committees where the Board of Directors determines it is appropriate to do so. The Board of Directors expects to accomplish a substantial amount of its work through committees and shall form at least the following three committees: the Audit Committee, the Compensation, Corporate Governance and Nominating Committee and the Safety, Health, Community and Environmental Committee. The Board of Directors may, from time to time, establish or maintain additional standing or special committees as it determines to be necessary or appropriate. Each committee should have a written charter and should report regularly to the Board of Directors, summarizing the committee's actions and any significant issues considered by the committee.

#### **INDEPENDENT ADVICE**

In discharging its mandate, the Board of Directors shall have the authority to retain (and authorize the payment by the Company of) and receive advice from special legal, accounting or other advisors as the Board of Directors 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 regulatory changes, the Board of Directors through the Corporate Governance and Nominating Committee shall, in a manner it determines to be appropriate:

- Conduct a review and evaluation of the performance of the Board of Directors and its members and committees, including the compliance of the Board of Directors with this Charter. This evaluation will focus



on the contribution of the Board of Directors to the Company and specifically focus on areas in which the directors and senior management believe that the contribution of the Board of Directors could be improved.

- Review and assess the adequacy of this Charter and the position description for the Chair and make any improvements the Board of Directors 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.

**MANDALAY RESOURCES CORPORATION**  
(the “Company”)

**Appendix A**

**CATEGORICAL STANDARDS FOR DETERMINING  
INDEPENDENCE OF DIRECTORS**

For a director to be considered independent under the policies of the Canadian Securities Administrators, he or she must have *no direct or indirect material relationship with the Company*, being a relationship that could, in the view of the Board of Directors, reasonably interfere with the exercise of a Director’s independent judgment.

The Board of Directors, upon the recommendation of the Corporate Governance and Nominating Committee, has considered the types of relationships that could reasonably be expected to be relevant to the independence of a director of the Company. The Board of Directors has determined that:

1. A director’s interests and relationships arising solely from his or her (or any immediate family members’<sup>1</sup>) shareholdings in the Company are not, in and of themselves, a bar to independence.
2. Unless a specific determination to the contrary is made by the Corporate Governance and Nominating Committee as a result of there being another direct or indirect material relationship with the Company, a director will be independent unless currently, or at any time within the past three years, he or she or any immediate family member:
  - **Employment:** Is (or has been) an officer or employee (or, in the case of an immediate family member, an executive officer) or (in the case of the director only) an affiliate<sup>2</sup> of the Company or any of its subsidiaries or affiliates (collectively, the “**Company Group**”) or is actively involved in the day-to-day management of the Company.
  - **Direct Compensation:** Receives (or has received) direct compensation during any twelve-month period from the Company Group (other than director fees and committee fees and pension or other forms of deferred compensation for prior service, provided it is not contingent on continued service)<sup>3</sup>.
  - **Auditor Relationship.** Is (or has been) a partner or employee of a firm that is the Company’s internal or independent auditor (provided that in the case of an immediate family member, he or she participates in its audit, assurance or tax compliance (but not tax planning practice)) and if during that time, he or she or

---

<sup>1</sup> A (i) spouse, parent, child, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, or (ii) any person (other than domestic employees) who shares that director’s home.

<sup>2</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). 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.

<sup>3</sup> Employment as an interim chair or an interim Chief Executive Officer need not preclude a director from being considered independent following the end of that employment. Receipt of compensation by an immediate family member need not preclude a director from being independent if that family member is a non-executive employee.

an immediate family member was a partner or employee of that firm but no longer is such, he or she or the immediate family member personally worked on the Company's audit;

- Material Commercial Relationship. Has (or has had), or is an executive officer, employee or significant shareholder of a person that has (or has had), a significant commercial relationship with the Company Group.
- Cross-Compensation Committee Link. Is employed as an executive officer of another entity whose compensation committee (or similar body) during that period of employment included a current executive officer of the Company.
- Material Association. Has (or has had) a close association with an executive officer of the Company.

Notwithstanding the foregoing, no director will be considered independent if applicable securities legislation, rules or regulations expressly prohibit such person from being considered independent.