
CORPORATE GOVERNANCE

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Mandalay believes effective corporate governance is integral to the long-term success of the Company. The Mandalay Board of Directors supports evolving practices in the field of governance, and has implemented recommended policies and procedures to demonstrate its commitment to good corporate governance as well as to continuous improvement from the self-evaluation surveys completed by the directors on an annual basis.

Mandalay has had a majority voting policy in place since 2013. Directors of the Company are elected annually by the shareholders and the policy entitles each shareholder to vote for each nominee on an individual basis on May 11, 2017. As of May 24, 2016, Mandalay's Board of Directors currently consists of six individuals. Mandalay is compliant with applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators and the laws of the jurisdictions in which it operates. All the policies, charters, and position descriptions that have been established by Mandalay are updated annually and can be accessed on the Company's website at www.mandalayresources.com.

CORPORATE GOVERNANCE INITIATIVES

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, exploration, and business development;
- Presentations by external advisors and experts on matters such as corporate governance developments; and
- Site visits.

BOARD OF DIRECTORS

The Board of Directors is committed to fulfilling its statutory mandate of overseeing the management of the business and affairs of the Company with the highest standards of ethical conduct and in the best interests of the Company.

The Company has established the following standing committees that are accountable to the Board of Directors:

- (i) Audit Committee
- (ii) Compensation, Corporate Governance and Nominating Committee
- (iii) Safety, Health, and Environmental Committee

The members of the Board are identified in the Corporate Information Section.

AUDIT COMMITTEE

The Audit Committee assists the Mandalay Board in fulfilling its oversight responsibilities with respect to the quality and integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements in respect of financial disclosure, and the qualification, independence and performance of the Corporation's independent auditor. The Audit Committee also assists the Mandalay Board in the assessment, monitoring and management of the strategic, operational, reporting and compliance risks of the Corporation's business, and the performance of the Corporation's Chief Financial Officer. The members of Mandalay's Audit Committee are Robert Doyle (Chairman), Abraham Jonker, and Amy Freedman.

COMPENSATION, CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

The purpose of the Compensation, Corporate Governance and Nominating Committee is to assist the Board of Directors with compensation, corporate governance and nominating matters with respect to recruitment, development, evaluation, compensation, and retention of senior management and Board members. Under the supervision of the Chair of the Compensation, Corporate Governance and Nominating Committee, the directors conduct a formal evaluation of the performance and effectiveness of the Board of Directors and the committees through an annual self-assessment survey coordinated by the Corporate Secretary. The members of the Compensation, Corporate Governance and Nominating Committee are Peter Jones (Chairman) and Robert Doyle.

SAFETY, HEALTH, AND ENVIRONMENTAL COMMITTEE

The Safety, Health, and Environmental Committee is appointed by the Board of Directors to assist with environmental, health and safety legislation, and compliance with the rules and regulations in the jurisdictions in which the Company operates. In addition, the Safety, Health, and Environmental Committee is responsible for developing the Company's policies, programs, measures, and systems relating to employee engagement, safety, health, environment, and community. The members of the Safety, Health, and Environmental Committee are Bradford Mills (Chairman) and Peter Jones.