



**SAFETY**

**INTEGRITY**

**RESPONSIBILITY**

**PERFORMANCE  
& INNOVATION**

**VALUE  
CREATION**

**AGILITY**



**LIVING OUR VALUES**



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# 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.

To achieve this vision, Mandalay is developing a value-based employee engagement program: LIVING OUR VALUES. Initiatives were developed to support these values, including a new employee orientation booklet and community action plan guidelines during 2015.



Safety is paramount in all our decisions and actions, and we proactively protect people and property.

We are responsible for our actions and their consequences, operating with social and environmental responsibility and promoting sustainable development.

We seek and seize every opportunity to create more value with our resources.

We are our word; we honor our commitments, abide by applicable laws and live by high ethical standards.

We promote excellence in everything we do, creating an environment where ideas and innovative methods improve our processes and results are encouraged.

We seek out new opportunities and rapidly respond to new challenges.

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# WE ARE SUCCESSFUL WHEN:

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**Our employees live and work safely and experience the personal satisfaction that comes with high performance and recognition.**

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**Our shareholders realize a superior total return on their investment and support our corporate values.**

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**The communities in which we operate value our presence.**

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**Our environmental impact is minimized and causes no permanent harm.**

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For more information on Mandalay's LIVING OUR VALUES program, specific initiatives and practices, please view our brochures, available on the Company's website at [www.mandalayresources.com](http://www.mandalayresources.com). The 2016 brochure will be available during the third quarter of 2016.

Also, please view our updated LIVING OUR VALUES section of our website at:

<http://www.mandalayresources.com/living-our-values/>

## **RISK MANAGEMENT**

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In 2014, Mandalay completed a bottom-up and top-down risk management process for the Company, with the goal of identifying, managing, and reducing overall operational, financial and strategic risks faced by the Company. The identified risks, risk managers and action plans are tracked on Mandalay's risk register. The key achievements of this process include risk profiles and individual risk records for the Company as a whole, Costerfield Operations, Cerro Bayo Operations, Challacollo Operations and Björkdal Operations. During 2015, Mandalay updated the risk registers across the Company and integrated new management actions into the strategic planning and budgeting process.

In addition, KPMG, the Company's third party internal auditors, is tasked with a risk-based internal audit process which was initiated in 2015. In 2015, KPMG conducted 14 internal audits. As of December 31, 2015, there were 64 internal audit actions within the agreed timelines for implementation. As at March 30, 2016, the Company is reviewing the KPMG 2016 Internal Audit Plan with the view of integrating audit actions from KPMG into the current risk register at Mandalay.

Thereafter, risk profiles and risk registers will be monitored and updated annually to identify any movements in the risks. The Board of Directors will be accountable for the oversight of the Company's top-down and bottom-up risk management system.