

ENVIRONMENT

OUR ENVIRONMENTAL IMPACT IS MINIMIZED AND CAUSES NO PERMANENT HARM

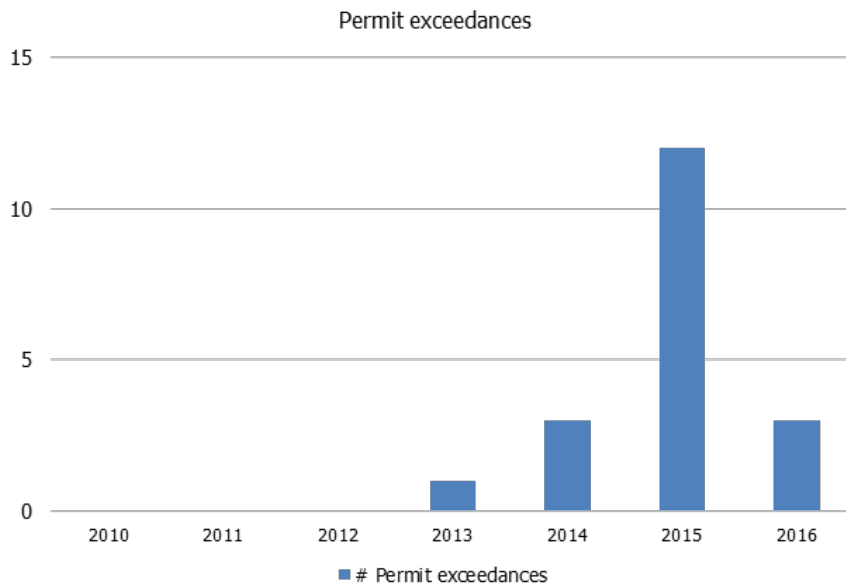
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Mandalay successfully lives its values when our environmental impact is minimized and causes no permanent harm.

All of Mandalay’s operations are conducted under valid licenses and permits. The Company proactively monitors licensing and permitting requirements to ensure receipt of permits before they are needed for operations.

Mandalay Resources has an environmental policy in place to guide the Company and all its employees in fulfilling our shared responsibility to protect the environment and minimize the environmental impacts of Company-related activities. In addition, General Managers are required to report to the Board monthly on incidents of permit exceedances, fines, and remediation.

We have greatly reduced the level of permit exceedances over the last year – the reduction being driven by Costerfield’s improvement in dust suppression.



# Reportable incidents							
	2010	2011	2012	2013	2014	2015	2016
Mandalay	0	0	0	1	1	10	1

All of Mandalay’s operations are currently in compliance with environmental regulations of the jurisdictions in which we operate. Closure plans are in place at all mines, and required funds held in escrow for reclamation.

In 2015, Mandalay completed the closure of the 20 hectare reclamation project at the Cascada mine at Cerro Bayo. Previously, in mid-2012, Mandalay completed the 50 hectare reclamation

project at the Furioso mine. The remainder of this project consisted of three years of monitoring, with the last sampling occurring in April 2016. Please see below for pictures of the Furioso reclamation.

