



Mandalay Resources Corporation Continues to Deliver Positive Exploration Results at its Costerfield and Björkdal Operations

TORONTO, ON, January 14, 2020 – Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to report continuing positive results from the exploration programs at its Costerfield operation in Victoria, Australia, and at its Björkdal operation in Skellefteå, Sweden. This press release discloses diamond drilling results completed since the Company's previous exploration release on September 30, 2019. Figures illustrating the results can be found at the end of this press release.

Highlights

Costerfield

- New close spaced drilling has increased confidence in the upper section of the Youle vein, where mining is underway;
- Step out drilling on the Youle vein and at the historic Costerfield mine to the north has discovered mineralized extensions (see Figures 1 to 6 and Tables 1 to 3 below); and
- The first parent and wedge daughter holes on the Costerfield Deeps target have been completed beneath the Youle orebody. Structural knowledge and multielement geochemistry from these holes have been used to target a second parent hole testing the Deeps target under the August Deposits. Drilling of the second program will commence later in 2020.

Björkdal

- Extensional drilling at the Aurora zone continues to enlarge the structurally controlled, high-grade mineralization, which trends at depth towards the east (see Figures 7 to 10 and Tables 4 to 7 below);
- Drilling of high-grade targets, including skarn mineralization near underground infrastructure, have improved mine planning to deliver sustainable high head grades from the mine; and
- Target testing holes have confirmed the continuation of mineralization in new veins up to 500 metres ("m") northward from the presently defined Aurora zone.

Dominic Duffy, President and Chief Executive Officer of Mandalay, commented, "We are pleased to report continued exploration success at both of our sites. The most recent drilling results at Costerfield and Björkdal confirm the significant upside potential value of our operations."

Mr. Duffy added, "At Costerfield, optimization drilling within the upper part of the Youle vein has confirmed the high-grade resources previously published for the vein and filled in previous wide-spaced intercepts along a strike of 450 m. These results will support improved planning and execution of mining operations and longer life of the Youle vein."

Mr. Duffy continued, "We have now concluded the daughter hole wedged off the first Costerfield Deeps hole CD001. The results have advanced our geological understanding of this highly prospective area. This has provided the information for planning the second deep parent and daughter holes to target under the Augusta system, which will be drilled in 2020."

Mr. Duffy concluded, "At Björkdal, drilling to extend orebodies currently being mined has allowed us to bring higher head grade into the mine plan. Both the Aurora zone and skarn mineralization have been significantly extended. Meanwhile, target testing as much as 500 m north of the Aurora zone has intersected new gold bearing veins."

Mandalay Drilling Programs

Costerfield Drilling Programs

Mandalay continues the three exploration programs at Costerfield that were commenced in May 2019.

Youle Optimization Drilling

Since the Company's last exploration press release on September 30, 2019, Mandalay has continued to develop and optimize extraction of the high-grade Youle vein. The resulting geological interpretation and assay results are expected to enlarge the upper portion of the Youle deposit in which mining is currently underway. Furthermore, this drilling has identified a series of sheeted stibnite veins extending up to 10 m into the west wall of the main lode within the upper sections of the mine. Due to the angle of earlier surface drilling, the extent of this veining was not realized until underground drilling occurred.

Five active headings are presently being mined within the upper 40 m of the Youle vein.

Recent results (Tables 1 and 2) from the optimization drilling has identified significant zones of mineralization; coarse, nugget gold occurs in many of the samples. For example, hole KD583 contains a visible gold ("Au") and stibnite within a quartz matrix (Figure 1). This intercept returned grades of 4,000 g/t Au and 1.5 % antimony ("Sb") over a width of 0.04 m. Other results include KD603 in which 303.0 g/t Au and 52.1% Sb occur over a width of 0.37 m.

Table 1: Youle Optimization Drilling Highlights

Hole ID	True Width (m)	Au Grade (g/t)	Sb Grade (%)	AuEq (g/t) over min. 1.8m mining width
KD583	2.12	85.3	6.5	96.3
KD596	1.18	159.2	38.3	146.8
KD602	0.43	167.0	47.2	59.3
KD603	0.37	303.0	52.1	79.8

Figure 1: Youle Intercept Within KD583 Displaying Gold and Stibnite Within a Matrix of Quartz



Table 2: Youle Optimization Drilling Results (September 2019 – December 2019)

Hole ID	Hole Completion Date	Total hole Depth	Intercept Easting (Mine Grid)	Intercept Northing (Mine Grid)	Intercept Elevation (Mine Grid)	Drilled Width (m)	True Width (m)	Au Grade (g/t)	Sb Grade (%)	AuEq (g/t) over min. 1.8m mining width	Sampled Structure
KD529	26/07/2019	82.8	15414	6771	966	2.58	2.42	0.8	2.5	5.0	Youle + Splays
<i>Including</i>						<i>0.21</i>	<i>0.20</i>	<i>50.0</i>	<i>48.3</i>	<i>14.4</i>	<i>Youle</i>
KD530	28/07/2019	81.0	15414	6742	978	0.15	0.13	2.7	6.3	1.0	Youle
KD552	6/09/2019	49.8	15400	6768	957	0.27	0.17	128.0	56.6	21.3	Youle
KD553	9/09/2019	44.3	15415	6771	974	0.10	1.81	2.1	2.0	5.5	Youle
KD554	18/09/2019	39.4	15394	6764	948	0.27	0.24	38.9	35.1	13.4	Youle
KD555	3/10/2019	35.2	15389	6781	941	0.41	0.35	0.2	0.3	0.1	Youle
KD556	26/09/2019	70.0	15413	6792	957	0.29	0.25	24.8	17.1	7.5	Youle
KD557	23/09/2019	82.0	15417	6799	969	0.43	0.33	6.2	3.8	2.3	Youle
KD558	1/10/2019	59.0	15411	6804	967		0.08	35.6	19.7	3.0	Youle
KD559	20/11/2019	33.0	15394	6804	949	2.16	1.61	4.8	4.9	11.8	Youle
KD560	3/10/2019	75.0	15397	6726	961	0.17	0.13	25.6	0.2	1.9	Youle
KD561	14/10/2019	50.0	15390	6731	955	0.95	0.82	5.3	4.2	5.7	Youle
KD562	15/10/2019	39.3	15388	6733	947	0.42	0.38	33.6	22.5	15.0	Youle
KD563	17/10/2019	40.0	15393	6748	949	0.85	0.82	3.5	4.7	5.2	Youle
KD571	5/11/2019	125.0	15371	6682	960	0.23	0.15	9.0	3.5	1.3	Youle
KD572	1/11/2019	105.2	15373	6683	949	0.76	0.65	0.1	0.9	0.6	Youle
KD573	27/12/2019	85.7	15352	6679	936	0.21	0.20	0.7	5.4	1.1	Youle
KD574	22/10/2019	70.0	15440	6757	985	6.75	5.53	1.4	1.1	3.3	Youle + Splays
<i>Including</i>						<i>0.13</i>	<i>0.10</i>	<i>47.2</i>	<i>25.2</i>	<i>4.9</i>	<i>Youle</i>
KD576	23/10/2019	90.5	15420	6789	984	0.16	0.10	20.1	10.4	2.1	Youle
KD576	23/10/2019	90.5	15432	6800	988	1.00	0.62	12.9	1.1	5.0	Splay Vein
KD580	25/10/2019	35.0	15414	6802	958	0.27	0.20	65.5	21.3	11.2	Youle
KD580	25/10/2019	35.0	15407	6799	955	0.61	0.45	0.9	3.1	1.6	Splay Vein
KD580	25/10/2019	35.0	15413	6801	958	0.44	0.32	2.2	9.2	3.2	Splay Vein
KD583	11/11/2019	90.3	15403	6825	956	3.11	2.12	85.3	6.5	96.3	Youle
<i>Including</i>						<i>0.07</i>	<i>0.04</i>	<i>4000.0</i>	<i>0.5</i>	<i>98.5</i>	<i>Youle</i>
KD584	13/11/2019	72.0	15399	6826	947	0.83	0.77	6.1	5.8	6.8	Youle
KD585	14/11/2019	56.0	15391	6826	938	3.96	3.72	20.0	10.8	38.3	Youle
<i>Including</i>						<i>0.33</i>	<i>0.31</i>	<i>194.0</i>	<i>55.9</i>	<i>49.8</i>	<i>Youle</i>
KD586	15/11/2019	45.0	15382	6827	930	1.04	0.98	0.2	0.0	0.1	Youle
KD587	18/11/2019	45.0	15373	6828	921	0.58	0.49	50.7	14.5	20.3	Youle
KD588	8/11/2019	34.9	15404	6728	973	0.14	0.12	2.6	12.2	1.6	Splay Vein
KD588	8/11/2019	34.9	15407	6724	974	0.21	0.18	32.1	12.3	5.4	Youle
KD589	13/11/2019	54.5	15413	6953	924	1.00	0.95	55.2	34.8	60.3	Youle
KD593B	27/11/2019	90.0	15412	6841	956	1.15	0.83	30.3	9.6	21.5	Youle
KD593B	27/11/2019	90.0	15408	6840	956	0.46	0.44	3.7	6.1	3.4	Splay Vein
KD594	25/11/2019	90.0	15405	6857	954	1.82	1.33	1.9	1.8	3.7	Splay Vein

KD595	28/12/2019	82.0	15403	6856	945	7.25	4.16	3.8	3.6	9.9	Youle
Including						0.90	0.52	14.1	8.7	8.3	Youle
And Including						0.71	0.41	14.5	6.8	5.9	Youle
KD596	24/11/2019	70.0	15394	6856	932	1.69	1.18	159.2	38.3	146.8	Youle
KD598	20/11/2019	68.3	15409	6908	940	7.29	6.18	3.0	3.5	8.9	Youle
Including						0.30	0.23	59.6	42.0	17.1	Youle
KD602	5/12/2019	67.0	15417	6978	926	0.48	0.43	167.0	47.2	59.3	Youle
KD603	5/12/2019	55.0	15412	6959	913	0.38	0.37	303.0	52.1	79.8	Youle

Youle Northern Extension Drilling Program

The Youle Extension program is ongoing. The goals are to delineate a complex high-grade zone to the north while expanding on the success of the program as reported in September 2019 and extending mineralization further to the north.

The drilling program continues to increase the Company's understanding of the gold and antimony concentration, expanding the mineralization a further 600 m to the north. Confirmation of the structural continuity of the favorable mineralized vein sets currently being mined in Youle has been identified in the northern drilling. These mineralized west dipping vein sets will become the focus of exploration drilling in January 2020.

Exploration has continued on the Youle northern extension program, with four diamond holes completed since the September 2019 press release, totaling 1,569 m.

The northern-most hole, BC079 targeted the array of veins that make up the northern component of Youle, with anomalous values of up to 0.86 g/t Au and 2.13% Sb over 0.12 m. This result confirms that quartz-stibnite-gold mineralization persists to the north, the mineralized veins being analogous to currently mined structures in the Youle lode. Drilling is currently underway targeting Youle down plunge to the north at the intersection of the No.4 fault.

Further interpretation and modelling of a gold and antimony bearing laminated quartz vein intercepted in drill hole BC075 in September 2019 (0.42 m @ 7.2 g/t Au and 4.4% Sb), has generated a highly prospective target 400 m to the north of current mining operations on Youle. This west dipping vein has been recognized to be in the same orientation as the most productive lode structures at Youle and Augusta. Drill hole planning is currently underway to test this prospective structure.

Table 3: Youle Northern Drilling Results (September 2019 – December 2019)

Hole ID	Hole Completion Date	Total hole Depth	Intercept Easting (Mine Grid)	Intercept Northing (Mine Grid)	Intercept Elevation (Mine Grid)	Drilled Width (m)	True Width (m)	Au Grade (g/t)	Sb Grade (%)	AuEq (g/t) over min. 1.8m mining width
BC076	9/09/2019	176.1	No intercept - hole aborted							
BC077	25/10/2019	437.5	15537	7425	994	1.16	0.51	0.6	1.5	0.61
BC078	10/10/2019	536.2	15565	7465	971	1.96	1.73	0.4	0.0	0.37
BC079	31/10/2019	419.6	15510	7542	1126	0.14	0.12	0.9	2.1	0.2

Costerfield Deeps Drilling Program

The wedge hole from CD001 has been completed and extensively sampled. CD001W1 reached a final depth of 1,197 m after passing through the large thrust observed in the parent hole CD001. This thrust fault is, believed to be the King Cobra Fault footwall contact intercepted at 1,023 m downhole (Figure 4). The same bleached wall rock alteration halo with minor sulphides identified in CD001 (coincident with elevated gold, antimony and arsenic assays) was found in the wedge from approximately 950 m downhole. Of interest is a zone of intense bleaching and stockwork veining between 1,007 – 1,023 m (Figure 4) which may indicate of a more focused mineralizing fluid system than seen in CD001.

Trace element geochemical analysis was undertaken on lithology and observed alteration of interest including the entire altered and stockworked zone around the interpreted King Cobra Fault. The data shows elevated gold, antimony and arsenic through the target zone supporting and extending the results from the parent drill hole (Figure 5).

Previous deep drilling has identified high gold grade enrichments underneath the depleted Cuffley deposit, that were hosted within the same stratigraphic sequence targeted by CD001W1, within an anticlinal setting. The Company believes that this environment may, as it does in the south, host significant gold enrichment. These targeted carbonaceous units were identified to be in a truncated state, cut by a series of west-dipping faults with a considerable amount of strike-slip movement. Although clearly elevated in gold and antimony the targeted fluid trap environment was not realized which suggests that the fault system is likely to have acted as a conduit for ore-forming fluids ascending to the Youle deposit. The clearly hydrothermally active setting it still a highly prospective target as demonstrated by the grades previously drilled in CSK007 and CSK012 (Figure 6).

Detailed structural logging though the 2019 deeps drilling has been integrated into the regional prospectively model and, along with underground mapping, drilling and surface mapping, a clear picture of highly prospective envelopes is being uncovered at depth along the 5 kilometre ("km") mineral field. These targets are the focus of our continuing efforts and drill planning.

Björkdal Drilling Programs

Aurora Drilling Program

Underground drilling has focused on extending the existing Aurora zone. Results to date have revealed the presence of a structurally controlled, high-grade zone, trending at depth towards the east. The up-dip extension of the horizon will be investigated from surface in Q1 2020. The zone is currently being mined on five active levels.

Northern Target Test Drilling

Underground drilling focused on investigating the continuation of the mineralized body towards the north of the current operations. A total of four holes were completed, however, due to bad ground conditions and the ingress of abundant water only three of the four holes reached total depth. The holes intercepted interbedded Dacite, Andesite and Basalt, typical of Björkdal with a number of brittle faults and shears. Results to date confirm the continuation of mineralization up to 500 m away from the current mine workings. A follow up drill campaign will commence in Q1 2020 in order to confirm the intercepts from 2019.

Björkdal Drilling Results

Björkdal Drilling Results

Since the Company's last exploration press release on September 30, 2019, the Company has assayed 27 drill holes in the Aurora zone at Björkdal (see Table 6) and 4 target test drill holes to the north of the current mining operations (see Table 7). Recent highlights from the Aurora and northern target test drilling assays include the following intercepts:

Table 4: Aurora drilling Highlights

Hole ID	True Width	Au g/t
DOD2019-096	6.78	2.43
DOD2019-097	3.85	3.57
MU9-024	8.05	2.39
MU9-026	10.73	3.85
MU9-028A	4.83	2.11
MU9-029	3.78	14.78

Table 5: Northern target test drilling Highlights

Hole ID	True Width	Au g/t
MU9-015	0.40	60.00
MU9-015	0.34	26.20
MU9-016	0.45	26.00
MU9-016	0.27	33.50
MU9-016	0.40	10.50
MU9-016	0.75	27.65

Table 6: Aurora Drilling Results (September 2019 – January 2020)

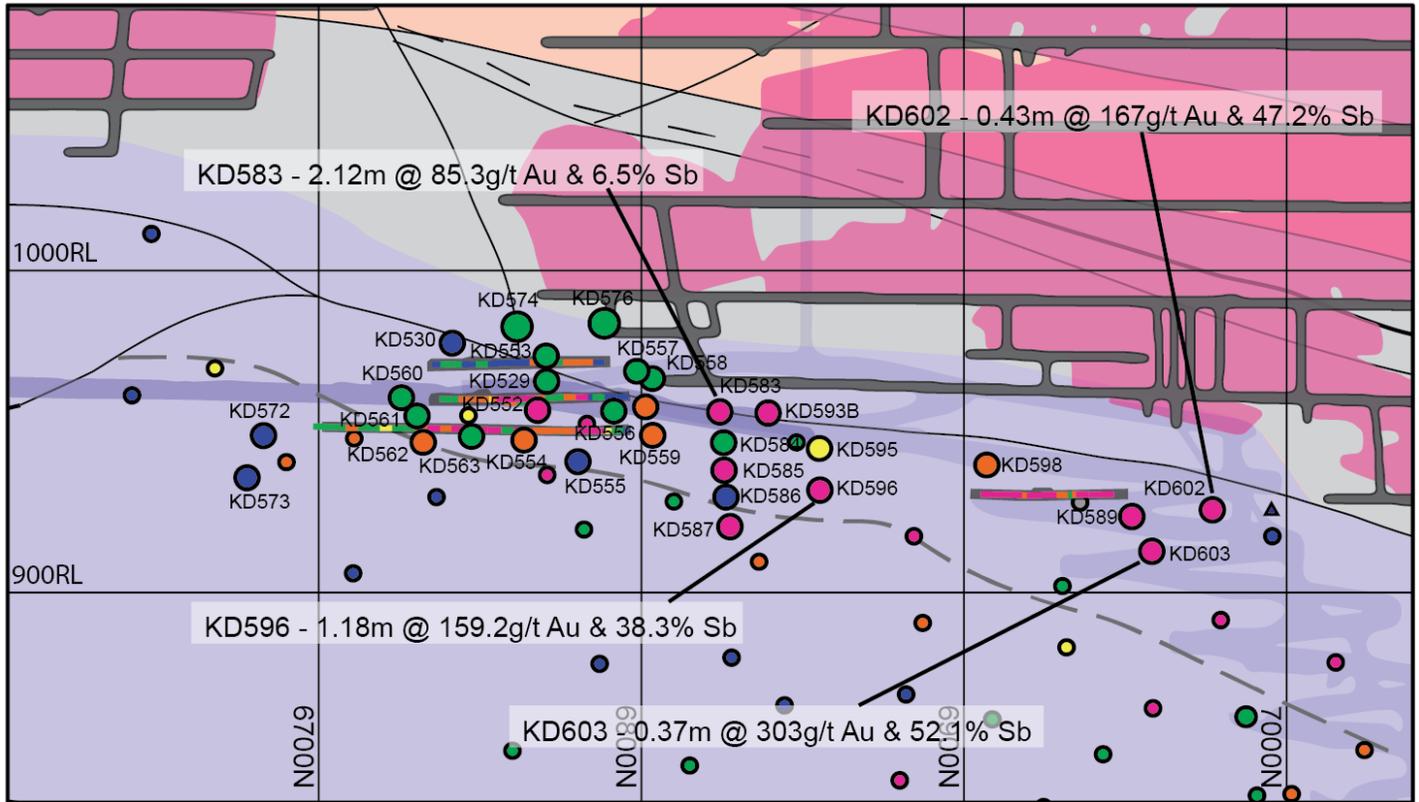
Hole Id	Hole Completion Date	Intercept Northing (Mine Grid)	Intercept Easting (Mine Grid)	Intercept Elevation (Mine Grid)	From (m)	To (m)	Drilled Width (m)	True Width (m)	Au (g/t)	Au (g/t) over min. 3 m mining width
DOD2019-053	9/07/2019	1745	1147	-382	109.75	113.70	3.95	3.87	1.43	1.43
DOD2019-055	8/08/2019	1743	1165	-392	101.90	106.25	4.35	4.34	1.42	1.42
DOD2019-063	4/09/2019	1730	1217	-356	68.00	73.00	5.00	4.96	0.51	0.51
DOD2019-092	1/09/2019	1775	1109	-461	139.00	142.73	3.73	2.96	0.58	0.58
DOD2019-093	7/10/2019	1797	1452	-433	73.60	77.00	3.40	3.35	1.72	1.72
DOD2019-094	10/10/2019	1810	1472	-454	80.40	83.70	3.30	3.20	1.05	1.05
DOD2019-095	12/10/2019	1808	1478	-428	84.30	89.80	5.50	5.41	1.59	1.59
DOD2019-096	22/10/2019	1814	1509	-465	91.00	99.12	8.12	6.78	2.43	2.43
DOD2019-097	26/10/2019	1800	1508	-435	85.00	89.40	4.40	3.85	3.57	3.57
MU9-021	26/08/2019	1869	1485	-575	174.20	187.45	13.25	6.37	0.51	0.51
MU9-022	16/09/2019	1843	1474	-525	124.80	136.80	12.00	7.34	1.15	1.15
MU9-023	30/08/2019	1858	1458	-557	153.45	166.10	12.65	8.90	1.09	1.09
MU9-024	9/09/2019	1896	1450	-622	224.00	236.10	12.10	8.05	2.39	2.39
MU9-025	22/09/2019	1847	1426	-546	140.65	147.60	6.95	2.99	0.93	0.93
MU9-026	27/09/2019	1870	1380	-570	160.30	176.10	15.80	10.73	3.85	3.85
MU9-027	2/10/2019	1875	1344	-581	179.65	189.35	9.70	5.51	0.71	0.71
MU9-028A	9/10/2019	1858	1325	-553	156.60	163.50	6.90	4.83	2.11	2.11
MU9-029	31/10/2019	1847	1282	-538	142.10	146.55	4.45	3.78	14.78	14.78
MU9-032	23/10/2019	1852	1162	-557	182.20	183.40	1.20	0.50	2.54	0.42
MU9-033A	17/10/2019	1855	1120	-571	179.20	181.60	2.40	1.15	3.33	1.28

Table 7: Northern Target Test Drilling Results (September 2019 – January 2020)

Hole Id	Hole Completion Date	Intercept Northing (Mine Grid)	Intercept Easting (Mine Grid)	Intercept Elevation (Mine Grid)	From (m)	To (m)	Drilled Width (m)	True Width (m)	Au (g/t)	Au (g/t) over min. 3 m mining width
MU9-015	23/09/2019	1830	1161	-436	1.65	2.10	0.45	0.40	60.00	8.00
MU9-015		1845	1156	-443	18.70	19.25	0.55	0.34	26.20	2.97
MU9-016	12/10/2019	1830	1161	-437	2.60	3.10	0.50	0.45	26.00	3.90
MU9-016		2011	1158	-526	203.60	204.00	0.40	0.27	33.50	3.02
MU9-016		2260	1164	-635	476.40	476.90	0.50	0.40	10.50	1.40
MU9-016		2283	1165	-644	500.35	501.25	0.90	0.75	27.65	6.91
MU9-017	29/10/2019	1828	1265	-436	12.85	13.75	0.90	0.59	4.84	0.95
MU9-017		1837	1265	-440	21.50	23.30	1.80	1.11	1.31	0.48
MU9-017		1857	1265	-447	44.10	44.90	0.80	0.57	2.59	0.49
MU9-017		1879	1265	-455	67.20	68.20	1.00	0.92	2.87	0.88
MU9-017		1985	1266	-489	178.30	178.75	0.45	0.40	3.24	0.43

MU9-017		2114	1271	-526	313.25	313.90	0.65	0.53	2.81	0.50
MU9-018	18/11/2019	1937	1227	-497	143.40	143.85	0.45	0.21	5.72	0.40

Figure 2: Inset of the Costerfield Longitudinal Section Illustrating the New Production Optimization Drilling (POD) Results Along with Location of On Vein Development



MANDALAY RESOURCES
Costerfield Operations

Youle Lode Detail Long Section
December 2019

Mine Workings

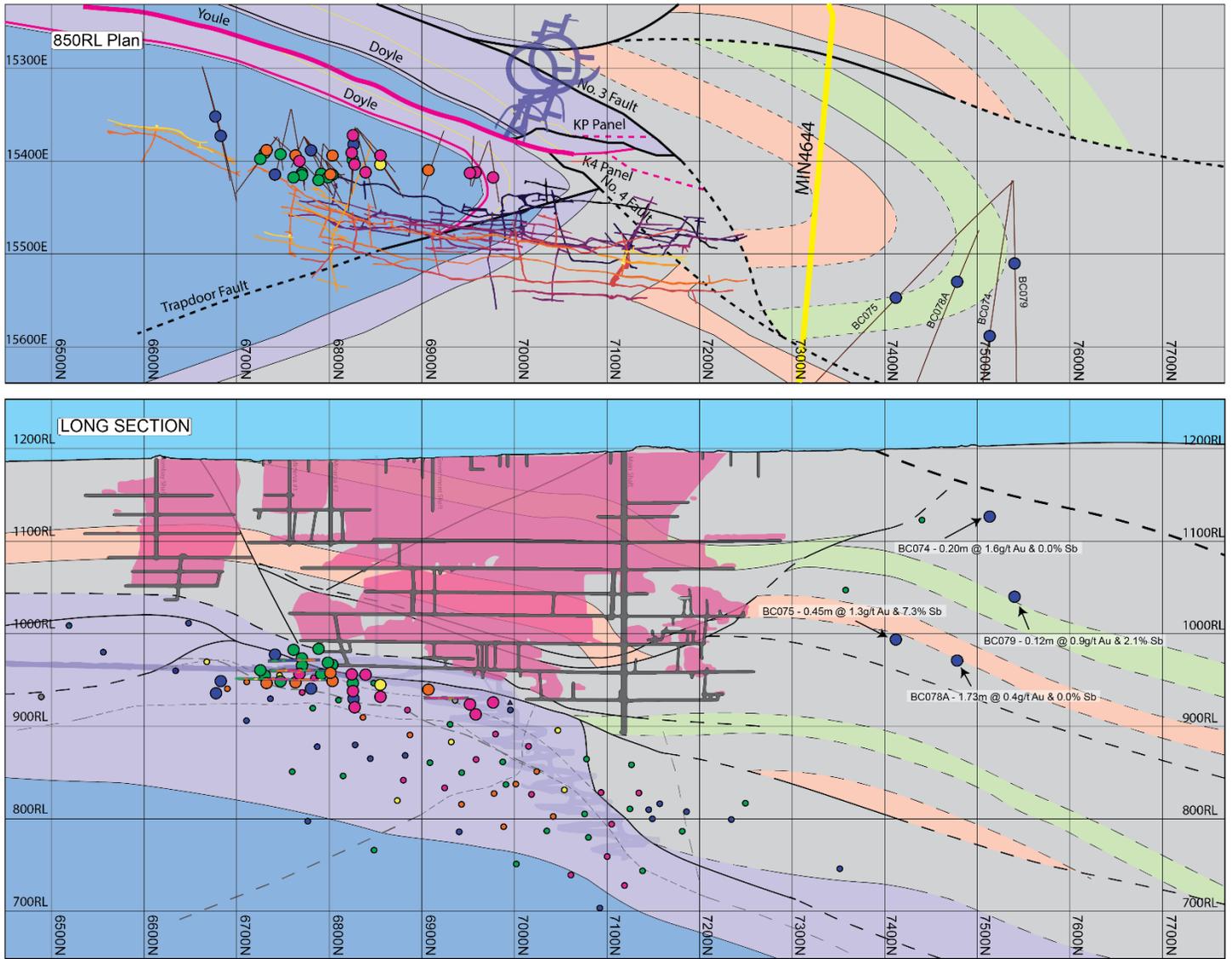
- Workings
- Areas of historic stoping

Lode Sampling

- Hole ID
- Au (ppm)
 - Sb (wt%)
 - True Thickness (m)
 - Offsection (West)
 - Offsection (East)
- Note 1: Grades are diluted to 1.8m minimum mining width
Note 2: True widths may vary from those used in resource estimation
- >20g/t AuEq
 - 10.5g/t - 20g/t AuEq
 - 7.5g/t - 10.5g/t AuEq
 - 1.5g/t - 7.5g/t AuEq
 - <1.5g/t AuEq

- Intercept drilled this reporting period
- Previously reported intercept

Figure 3: Longitudinal Section and Plan Section of Youle (Costerfield) Illustrating Location of Recent Intercepts with Detail along the Northern Extension Drilling



Youle Lode and Surrounding Extensions
December 2019



Figure 4: Cross Section of Costerfield Deeps Drill Holes CD001 and CD001W1 with Interpreted Geology, Displaying Relationship to Youle and the Costerfield mine

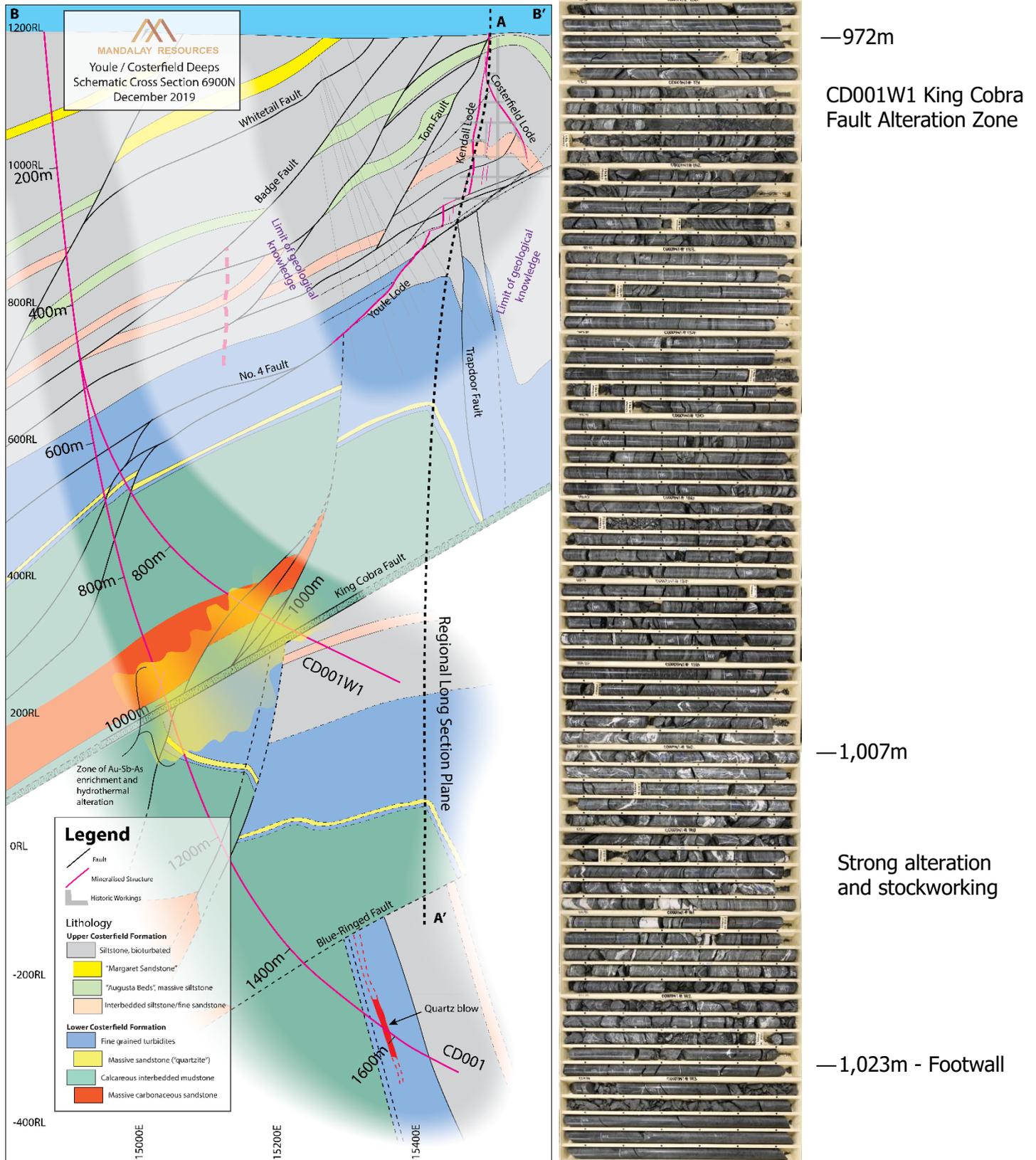


Figure 5: Downhole trace-level geochemistry of CD001W1, showing correlation of elevated Gold Antimony and Arsenic through Target Zone (Blue band) with constant elevation immediately around and within the King Cobra Fault (Orange band).

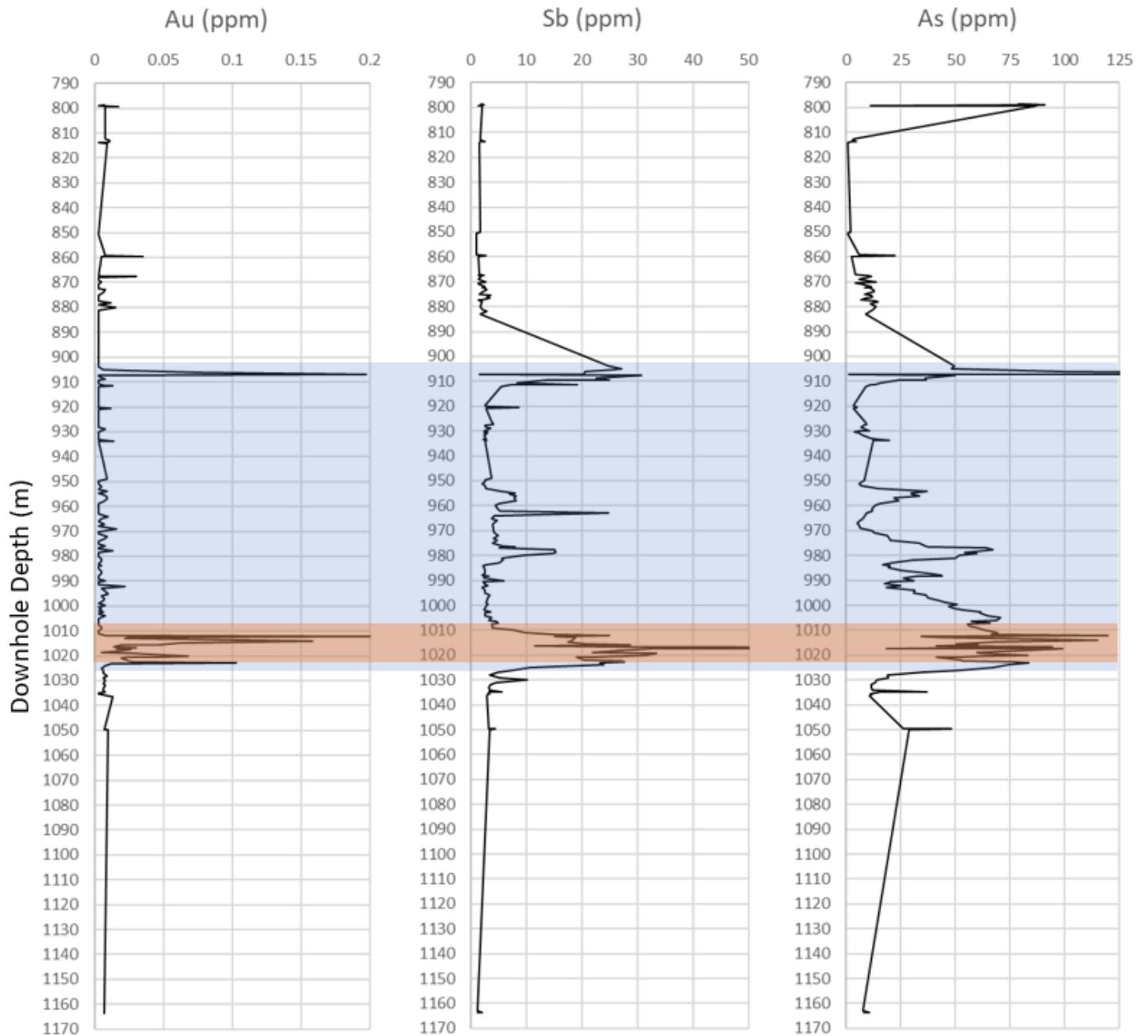
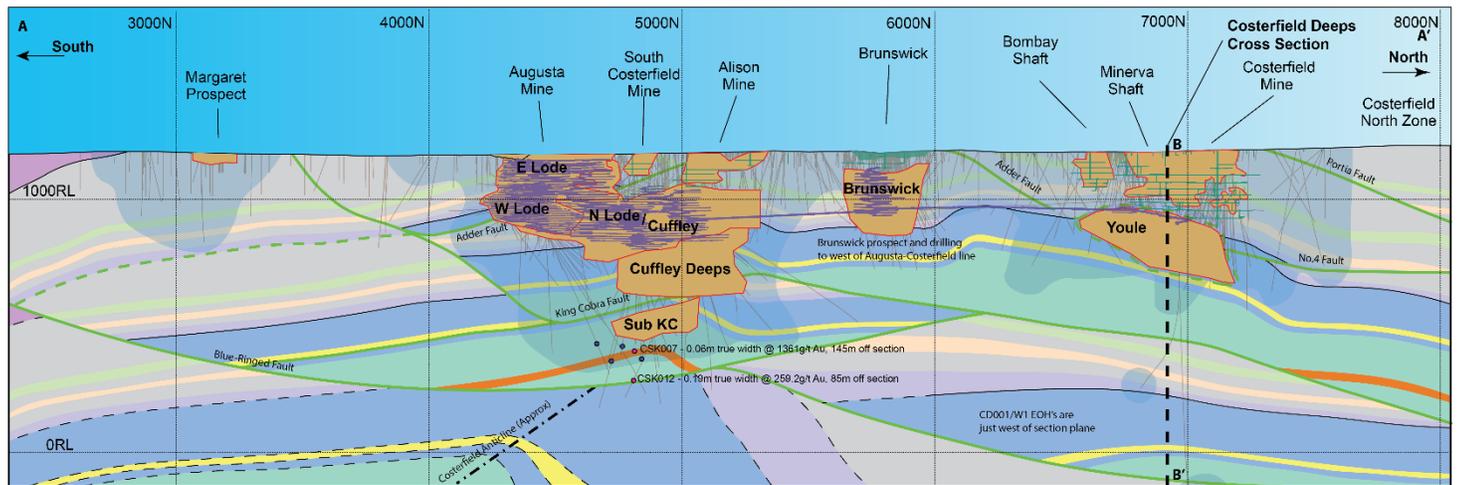
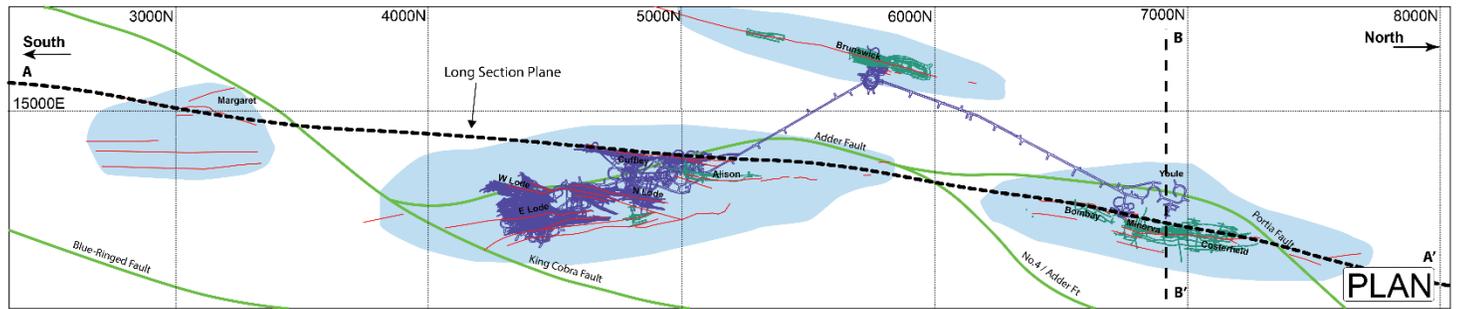


Figure 6: Schematic Regional Long Section of the Costerfield District, Showing the Position of the Costerfield Deeps Drill Hole Cross Section at 6900N (B-B')



**Costerfield District Exploration
Schematic Long Section
December 2019**

Legend		Lithology - Silurian	
	Current Resources (Approximate)		Wapentake Formation
	Current / Historic Mine Workings		Turbiditic sandstones
	Area tested with diamond drilling (Zone of Knowledge) +/- 75m from section plane		Upper Costerfield formation
	Major thrust fault trace		Siltstone
	Inferred fold axis		Augusta beds
	Drillhole traces		Sandy marker layer
			Laminated carbonate rich siltstone
			Lower Costerfield formation
			Fine grained turbidite
			Massive sandstone ("quartzite")
			Calcareous interbedded mudstone
			Massive graphitic sandstone

Figure 7: Björkdal Mine Scale Overview Map Showing the Location of the Aurora Zone and the Northern target test drilling in relation to mine development

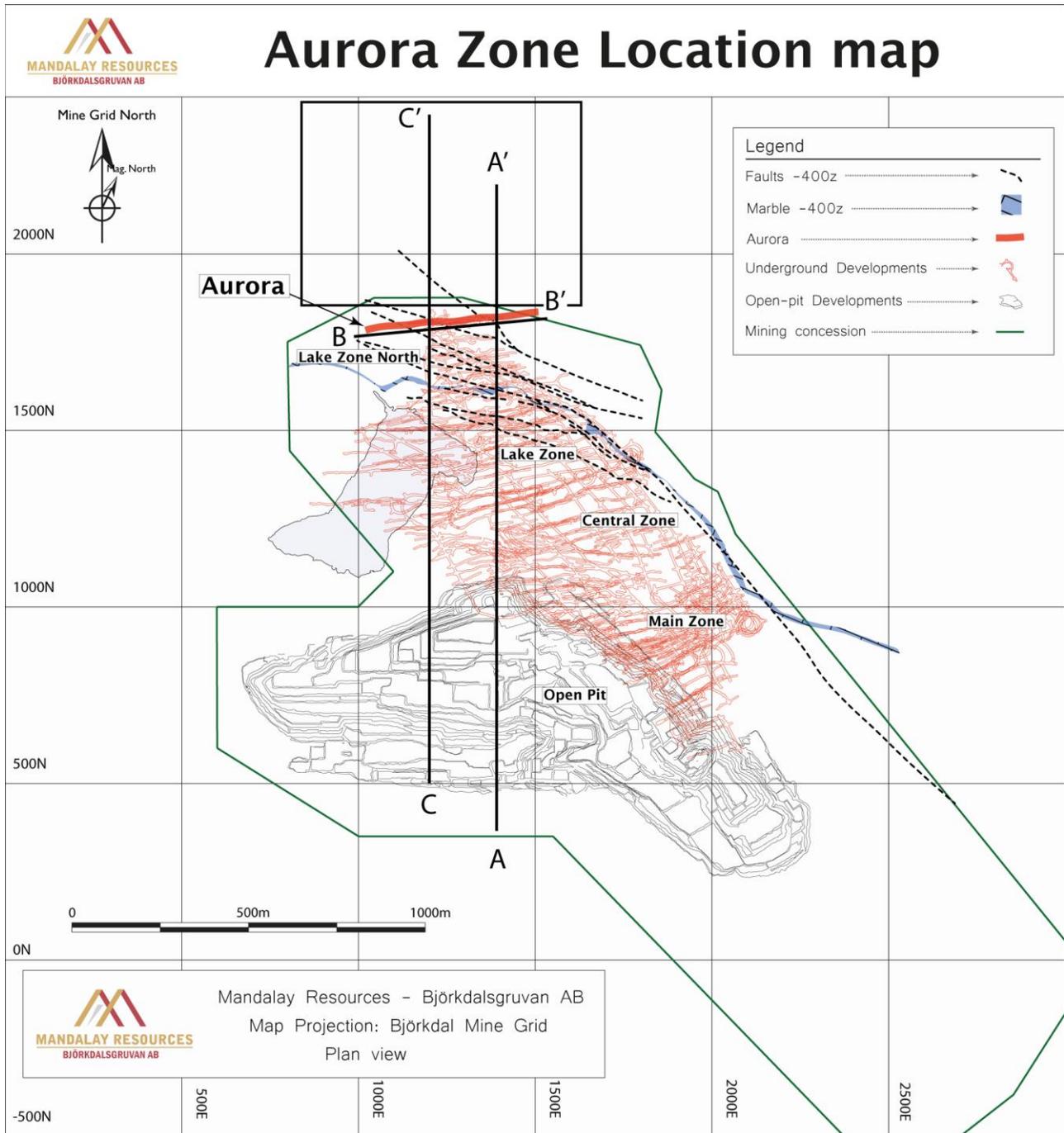


Figure 8: Cross sections of Björkdal Mine Area Showing the Location and Current Size of the Aurora Zone (A-A') and the Northern Target Test Program (C-C').

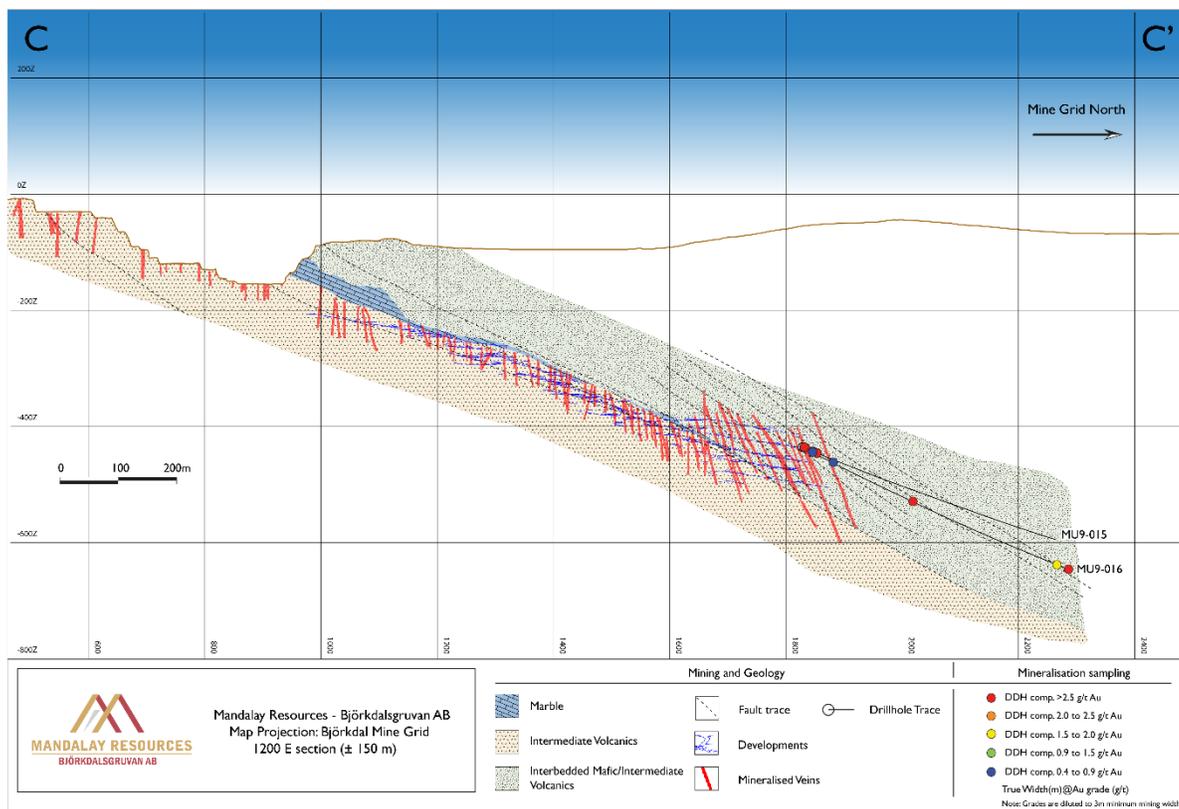
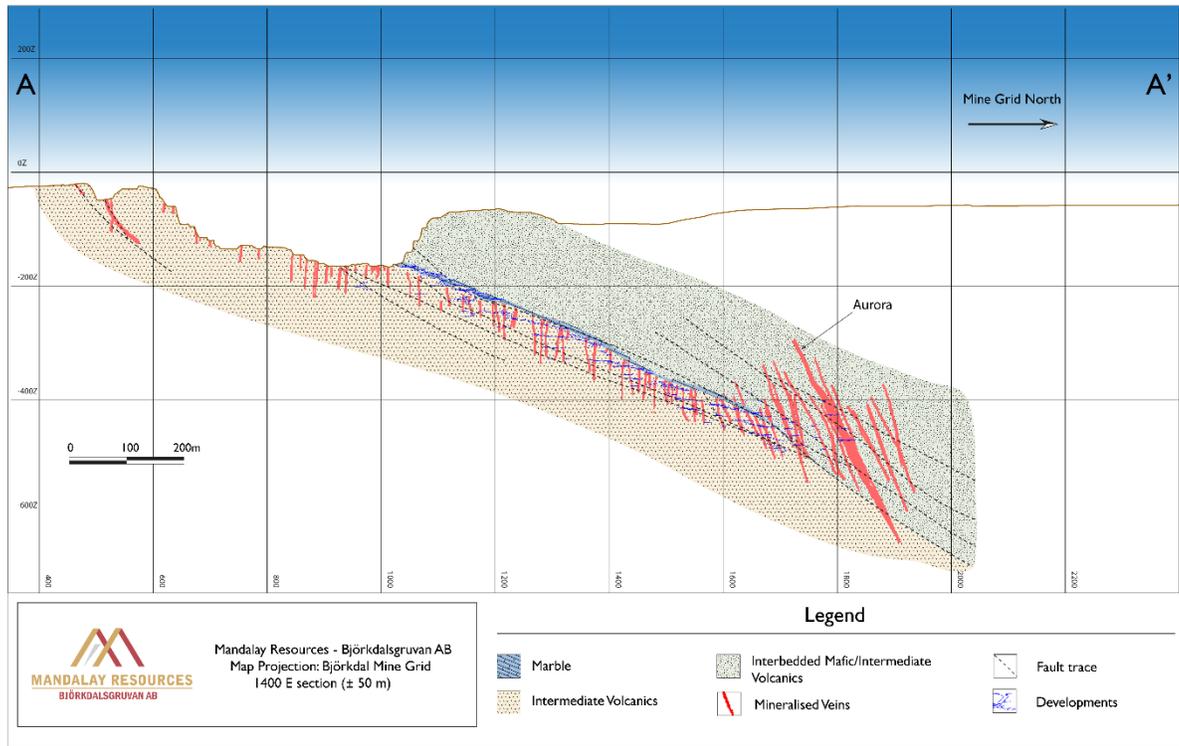


Figure 9: Longitudinal Section of the Aurora Zone Illustrating Location of Recent Intercepts

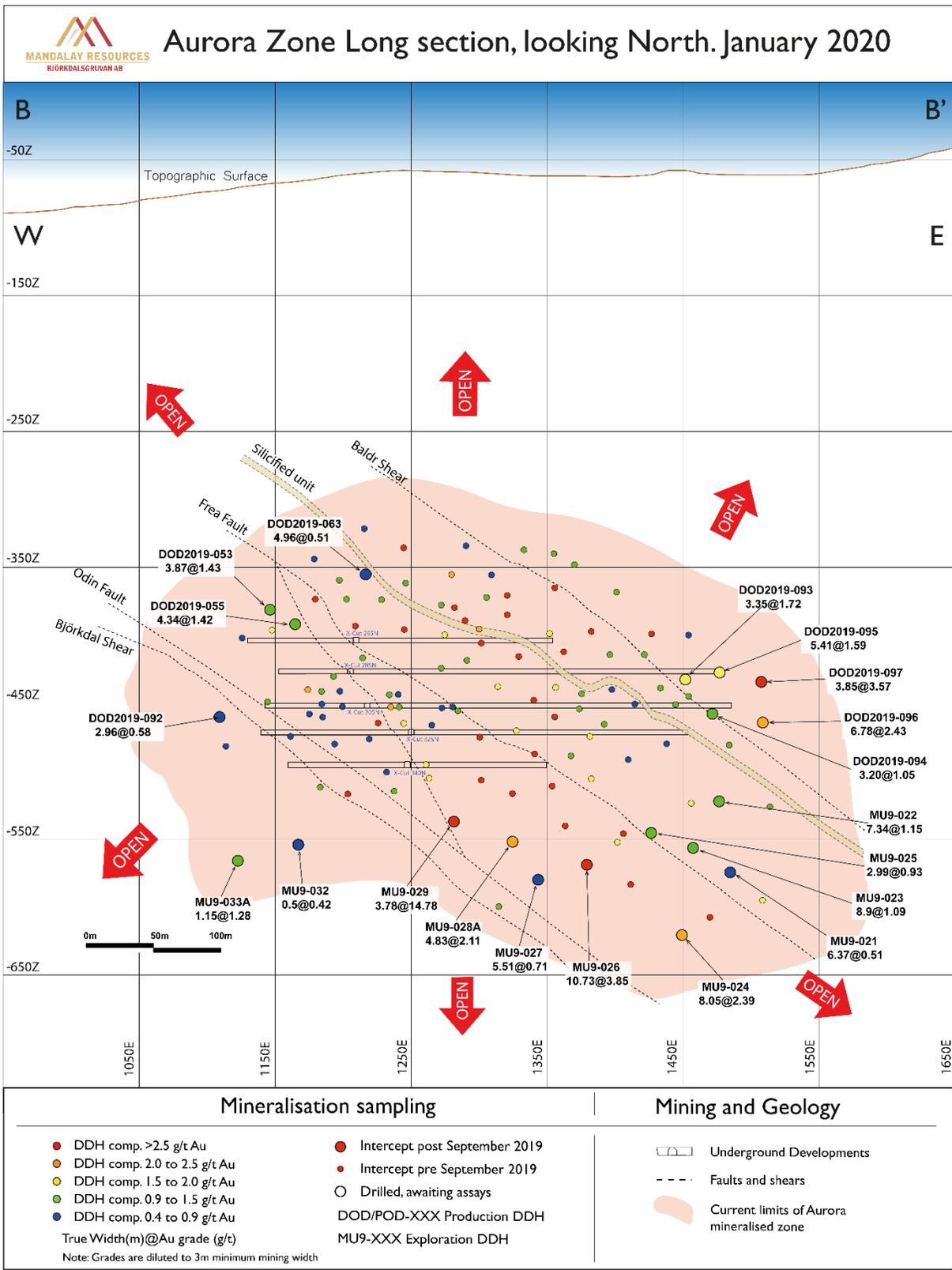
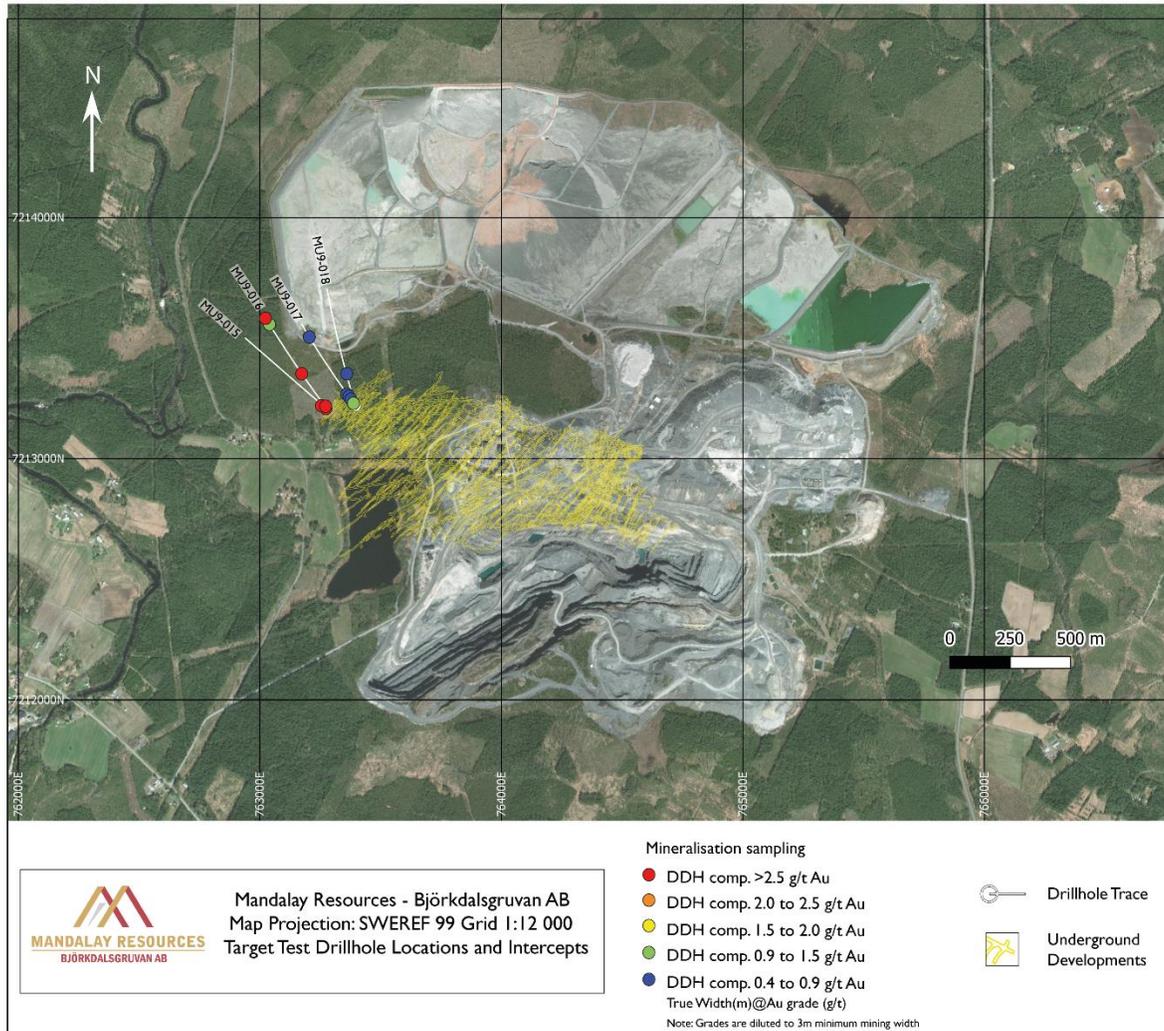


Figure 10: Overview map of Björkdalsgruvan showing the location of the target test drilling in relation to mine development.



Drilling and Assaying

At Costerfield, diamond drill core was logged and sampled by Costerfield geologists. All samples were sent to OnSite Laboratory Services in Bendigo, Victoria, Australia, for sample preparation and assay. Site geological and metallurgical personnel have implemented a QA/QC process that includes the regular submission of standard reference materials and blanks with drill and face samples submitted for assay. Standard reference materials have been certified by Geostats Pty Ltd. (February 6, 2019 Technical Report entitled "Costerfield Operation, Victoria, Australia NI 43-101 Report", available on SEDAR (www.sedar.com), which contains a complete description of drilling, sampling, and assaying procedures).

At Björkdal, all diamond drill core was logged and sampled by Björkdal geologists. Exploration drill hole samples (prefix MU) were sent to CRS Minlab Oy (CRS) in Kempele, Finland for sample preparation and assaying. Development Optimization drill hole samples (prefix DOD) were at the

onsite lab ran by ALS for sample preparation and assaying (see March 28, 2019, Technical Report entitled "Technical Report on the Björkdal Gold Mine, Sweden", available on SEDAR (www.sedar.com), which contains a complete description of drilling, sampling, and assaying procedures).

Assaying in both the CRS and ALS laboratories was conducted utilizing the Pal1000 (CRS) cyanide leaching processes. Mandalay's rigorous QA/QC program included the use of standard reference samples, blanks, duplicates, repeats, and internal laboratory quality assurance procedures.

Qualified Person:

Chris Gregory, Vice President of Operational Geology and Exploration at Mandalay Resources, is a Member of the Australian Institute of Geoscientists (AIG), and a Qualified Person as defined by NI 43-101. He has reviewed and approved the technical and scientific information provided in this release.

For Further Information

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About Mandalay Resources Corporation

Mandalay Resources is a Canadian-based natural resource company with producing assets in Australia and Sweden, and care and maintenance and development projects in Chile. The Company is focused on growing production at its gold and antimony operation in Australia, and gold production from its operation in Sweden to generate near term cash flow.

Forward-Looking Statements:

This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the exploration and development potential of the Youle deposit (Costerfield) and the Aurora Zone (Björkdal). Readers are cautioned not to place undue reliance on forward-looking statements. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, changes in commodity prices and general market and economic conditions. The factors identified above are not intended to represent a complete list of the factors that could affect Mandalay. A description of additional risks that could result in actual results and developments differing from those contemplated by forward-looking statements in this news release can be found under the heading "Risk Factors" in Mandalay's annual information form dated March 28, 2019, a copy of which is available under Mandalay's profile at www.sedar.com. In addition, there can be no assurance that any inferred resources that are discovered as a result of additional drilling will ever be upgraded to proven or probable reserves. Although Mandalay has attempted to identify

important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.