



Mandalay Resources Corporation Announces Production and Sales Results for the First Quarter of 2023

TORONTO, ON, April 18, 2023 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced today its production and sales results for the first quarter of 2023.

First Quarter Production Highlights:

- Consolidated saleable gold equivalent production of 19,986 ounces; and
- Consolidated saleable gold equivalent sold was 21,769 ounces.

Frazer Bouchier, President and CEO of Mandalay, commented:

"Mandalay's metal production rate at both sites during the first quarter of 2023 was below plan. On a consolidated basis, the Company produced 19,986 saleable gold equivalent ounces. However, despite production being lower than our previous quarters and below our internal expectations, the management team have identified the temporary root causes that lead to this shortfall and are focused on risk mitigation and elimination to get us back on plan with expected improvements at both sites in the coming quarters. Mandalay maintains its annual production guidance of 105,000 – 118,000 gold equivalent ounces.

Ryan Austerberry, COO of Mandalay, commented:

"At Costerfield, processed grades were below expectations as the feed to the mill required a higher volume of lower grade stockpile material to supplement the lower level of mined tonnes during the quarter. The site is also working on a few personnel constraints as it navigates through a tight labour market. This productivity gap is shrinking as we hire support contractors, further train new employees and invest in our current workforce following a higher than usual turnover of staff over the last few quarters. In addition to this constraint, there was a seven-day power outage at the start of the year due to the failure of an incoming power cable feeding the underground, resulting in a temporary loss of power. Although production ramped up shortly after this outage, January's production rate was adversely impacted. As a result of these issues, the site produced 11,017 saleable gold equivalent ounces in the first quarter of 2023, lower as compared to the same period last year.

"Björkdal produced 8,969 saleable gold ounces during this quarter, which was less than planned. Productivities were lower than anticipated primarily due to a shortage of skilled personnel and a delay in the scheduled replacement of the haulage fleet causing reduced truck availability. Overall mill throughput was higher than expected, however, both factors ultimately led to lower mined high-grade underground ore tonnes and increased the usage of low-grade surface stockpile.

"As always, we are committed to delivering strong performance and remain focused on achieving our 2023 operational and financial guidance. To do so, in the short term we have increased the number of contractors and adjusted equipment to assist with availability at both sites."

Mr. Bouchier concluded:

"I am excited to join the Company as its President and CEO and intend on continuing to accelerate Mandalay's financial turnaround as evidenced over the last several years. The team and I will be focused on operational and exploration success and accountability which will underpin my vision of creating scale and company growth with positive shareholder returns."

Saleable Production for the Quarter Ended March 31, 2023:

- In the first quarter of 2023, the Company produced a total of 16,337 ounces of gold and 544 tonnes of antimony representing a total of 19,986 ounces of gold equivalent, versus 24,581 ounces of gold and 683 tonnes of antimony in the first quarter of 2022, representing a total of 29,631 ounces of gold equivalent.
- Production at Björkdal was 8,969 ounces of gold in the first quarter of 2023 versus 12,384 ounces of gold in the first quarter of 2022.
- Production at Costerfield was 7,368 ounces of gold and 544 tonnes of antimony in the first quarter of 2023 versus 12,197 ounces gold and 683 tonnes antimony in the first quarter of 2022.

Table 1 – Production for First Quarter 2023 and 2022 and Fourth Quarter of 2022

Metal	Source	Three months ended March 31 2023	Three months ended March 31 2022	Three months ended December 31 2022
Gold (oz)	Björkdal	8,969	12,384	10,256
	Costerfield	7,368	12,197	12,085
	Total	16,337	24,581	22,341
Antimony (t)	Costerfield	544	683	504
Average quarterly prices:				
Gold US\$/oz		1,887	1,874	1,730
Antimony US\$/t		12,656	13,856	11,473
Total Gold Eq. (oz)⁽¹⁾				
	Björkdal	8,969	12,384	10,256
	Costerfield	11,017	17,247	15,427
	Total	19,986	29,631	25,683

1. Quarterly gold equivalent ounces ("Gold Eq. (oz)") produced is calculated by multiplying the saleable quantities of gold ("Au"), and antimony ("Sb") in the period by the respective average market prices of the commodities in the period, adding the amounts to get a "total contained value based on market price", and then dividing that total contained value by the average market price of Au in the period. Average Au prices in the periods are calculated as the average of the daily LME PM fixes in the period, with price on weekend days and holidays taken of the last business day; average Sb price in the period is calculated as the average of the daily average of the high and low Rotterdam warehouse prices for all days in the period, with price on weekend days and holidays taken from the last business day. The source for Au price is www.transamine.com, and Sb price is www.metalbulletin.com.

Sales for the Quarter Ended March 31, 2023:

- In the first quarter of 2023, the Company sold a total of 18,020 ounces of gold and 559 tonnes of antimony, representing a total of 21,769 ounces of gold equivalent, versus 24,383 ounces of gold and 527 tonnes of antimony in the first quarter of 2022, representing a total of 28,280 ounces of gold equivalent.

- Björkdal sold 9,521 ounces of gold in the first quarter of 2023 versus 12,134 ounces of gold in the first quarter of 2022.
- Costerfield sold 8,499 ounces of gold and 559 tonnes of antimony in the first quarter of 2023 versus 12,249 ounces of gold and 527 tonnes of antimony in the first quarter of 2022.

Table 2 – Sales for First Quarter 2023 and 2022 and Fourth Quarter of 2022

Metal	Source	Three months ended March 31 2023	Three months ended March 31 2022	Three months ended December 31 2022
Gold (oz)	Björkdal	9,521	12,134	9,569
	Costerfield	8,499	12,249	11,703
	Total	18,020	24,383	21,272
Antimony (t)	Costerfield	559	527	484
Average quarterly prices:				
Gold US\$/oz		1,887	1,874	1,730
Antimony US\$/t		12,656	13,856	11,473
Total Gold Eq. (oz)¹				
	Björkdal	9,521	12,134	9,569
	Costerfield	12,248	16,146	14,913
	Total	21,769	28,280	24,482

1. Quarterly Gold Eq. (oz) sold is calculated by multiplying the saleable quantities of Au and Sb in the period by the respective average market prices of the commodities in the period, adding the amounts to get a "total contained value based on market price", and then dividing that total contained value by the average market price of Au for the period. The source for Au price is www.transamine.com, and Sb price is www.metalbulletin.com, with price on weekend days and holidays taken of the last business day.

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 (Costerfield gold-antimony mine) and Sweden (Björkdal gold mine). The Company is focused on growing its production and reducing costs to generate significant positive cashflow. Mandalay is committed to operating safely and in an environmentally responsible manner, while developing a high level of community and employee engagement.

Mandalay's mission is to create shareholder value through the profitable operation and continuing the regional exploration program, at both its Costerfield and Björkdal mines. Currently, the

Company's main objectives are to continue mining the high-grade Youle vein at Costerfield, bring online the deeper Shepherd veins, both of which will continue to supply high-grade ore to the processing plant, and to extend Youle Mineral Reserves. At Björkdal, the Company will aim to increase production from the Aurora zone and other higher-grade areas in the coming years, in order to maximize profit margins from the mine.

Forward-Looking Statements:

This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the Company's expected production of gold and antimony and costs for the 2023 fiscal year. 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 31, 2023, 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.