

Mandalay Extends the Storheden Gold Deposit Adjacent to the Operating Björkdal Mine

TORONTO, ON, April 24, 2024 – Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced today that it has expanded the Storheden gold deposit, 600 meters ("m") from the Björkdal mine, on-strike to over 1.6 kilometers ("km") and at depth of approximate 200 m with high-grade gold intercepts. This press release is the first in a series of updates on our 2024 regional exploration progress at Björkdal.

Program Highlights

- Drilling confirms Storheden along strike to over 1.6 km;
- Doubled known system depth to ~200 m;
- Mineralization characterized by high grade gold intercepts (assay highlights below);
- Structural setting akin to multi-million ounce Björkdal deposit located 600 m southwest; and
- A mining concession was secured in 2018 over a significant portion of the area.

Assay Highlights

- **70.2 g/t gold over 0.45 m** (ETW 0.15 m) in SH-06 at 136 m;
- **39.7 g/t gold over 0.70 m** (ETW 0.45 m) in SH-06 at 120 m;
- **7.3 g/t gold over 3.05 m** (ETW 1.96 m) in SH-11 at 225 m; and
- **33.0 g/t gold over 0.40 m** (ETW 0.26m) in SH-21 at 90 m.

Note: Further intercept details including significant intercepts within composite intervals can be found in the appendix to this document. ETW = Estimated True Width

Chris Davis, VP of Exploration and Operational Geology, commented:

"I am pleased to share progress on our 2023 initiatives at Storheden. This deposit has not been thoroughly explored in comparison to our extensive Björkdal deposit however it is showing promising signs of gold mineralization. In 2023, about 5,150 m were drilled across 22 drillholes targeting two separate objectives: depth extension with verification of system geometries and strike extension of the shear system.

"This extensive drill testing program covered over 1.6 km and reached depths of approximately 100 m. It revealed many similarities to Björkdal and we are pleased to report success with high-grade gold discovered at depth and along strike. Moreover, this campaign also provided valuable insight into modelling the deposits.

In 2024, efforts at Storheden will prioritize diamond drilling to test the downward extensions of the mineralized zones and will be supplemented by generating regional targets using field mapping, soil sampling, and reconnaissance base-of-till drilling. Additionally, ongoing analysis of existing prospects will contribute to the development of new drilling targets and the continuation of exploration efforts based on the findings from previous campaigns."





Regional Exploration Ramp-up at Björkdal

During the summer seasons of 2022 and 2023 a total of 15,444 m, from 67 holes were drilled on prospective targets within the vicinity of the Björkdal mine (Figure 1). These targets were identified through analysis and interpretation of historical datasets and recent fieldwork conducted within Mandalay's active exploration permits. They represent areas of high potential for further mineral discoveries and underscore our commitment to advancing exploration efforts in the region.

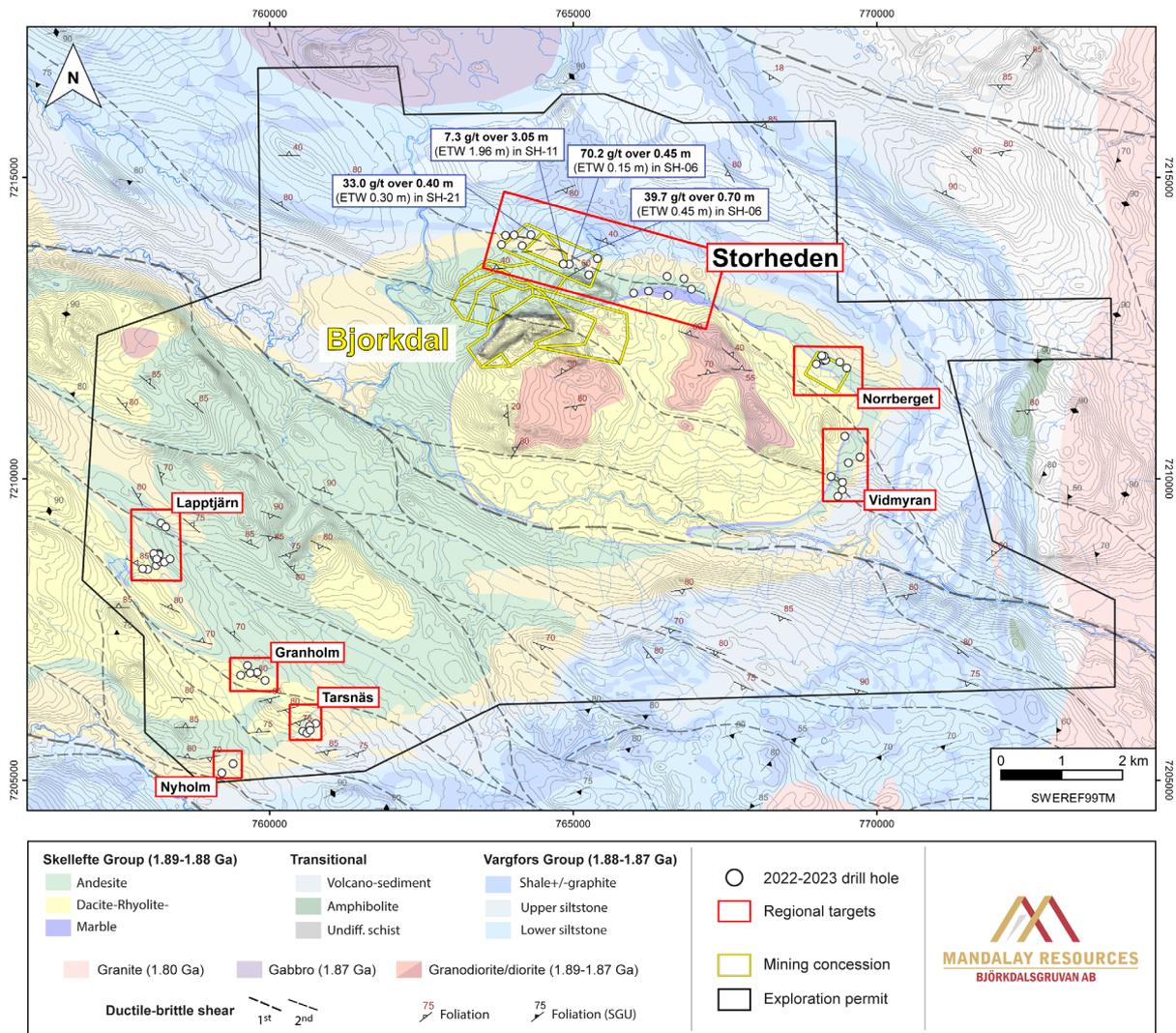


Figure 1. Geological Map centred on Mandalay exploration tenement holdings highlighting the location of exploration drilling described in this release. Highlighted assays results are annotated.

Storheden Focus

The Storheden deposit is located roughly 600 m to the Northeast of the Björkdal mine (Figure 2-3). Mineralization was first identified in the area from "top of bedrock" geochemical drilling in 1987. Subsequently, while percussion drilling had been undertaken on the target delineating an extensive mineral system, the active mine (Björkdal) has been the focus for exploration efforts leaving Storheden underexplored. In 2017, confirmation drilling and modelling undertaken by

Mandalay lead to the granting of a mining concession in 2018 encompassing the confirmed mineralized zone.

During 2023 a total of 5,149 m were drilled across 22 drillholes. Two separate targets were identified for drill testing.

1. Depth extension and verification of system geometries; and
2. Strike extension of the system to the southeast where the Storheden shear is interpreted to interact with the marble horizon.

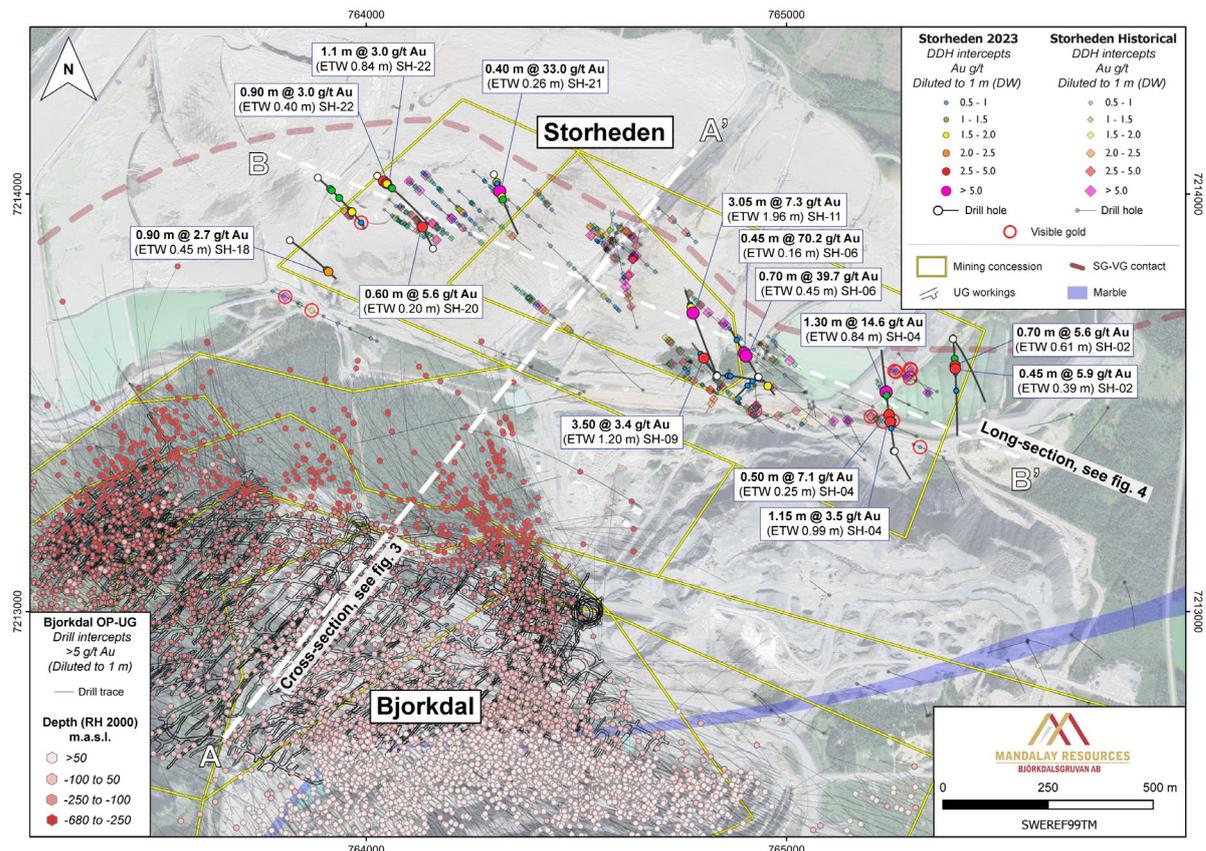


Figure 2. Björkdal-Storheden overview map showing historical and Mandalay's 2023 drilling at Storheden. For Björkdal only the location of drilling and significant grade is represented. Composited intercepts that, when diluted to 1m, grade above 2g/t are annotated.

The primary aim of the 2023 deeps drilling campaign was to validate historical intercepts from percussion drilling and explore the down-dip extensions of the mineralized zone. Investigating the depth potential is important as the deposit is situated in part below the Björkdal tailings storage facility.

Previous models for the Storheden deposit have been limited by the lack of diamond drill core, with most data derived from percussion drilling. However, oriented core obtained from drilling during 2023 has made it possible to verify and extend upon existing models, demonstrating the down-dip continuity of mineralized veins controlled by a moderately, N to NE-dipping system of shears that runs parallel to the Skellefte-Vargfors contact.

Mineralized fluids appear to have utilized the rheological contact between relatively rigid volcanics of the Skellefte Group and weaker sedimentary sequences of the overlying Vargfors



Group during deformation, in a similar manner to how shearing, fluid flow and mineralization in the Björkdal deposit is localized along the marble.

Mineralization in the Björkdal deposit has significant vertical continuity, with known mineralization dipping to the north-west along a slope distance of 1500 m, while remaining open at depth. The potential for similar down-dip continuity of mineralization in Storheden remains open, with 2023 drilling demonstrating that mineralization extends beneath shallow historical intercepts.

Future programs will further test the down-dip potential of mineralization at Storheden, while extending the coverage of oriented drill core to verify historic data obtained from percussion drilling, particularly within the central section of the Storheden deposit.

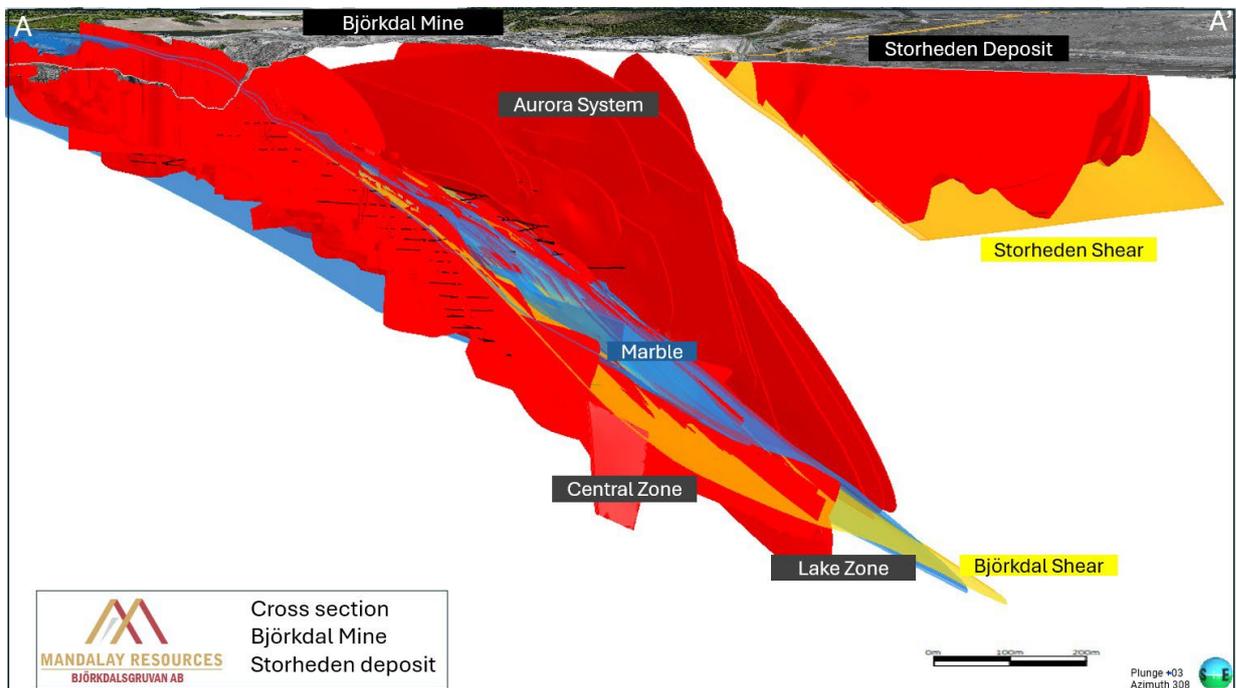


Figure 3: Perspective view looking to the Northeast showing the geographic relationship between the Björkdal deposit and mine to the left and the emerging Storheden system to the east.

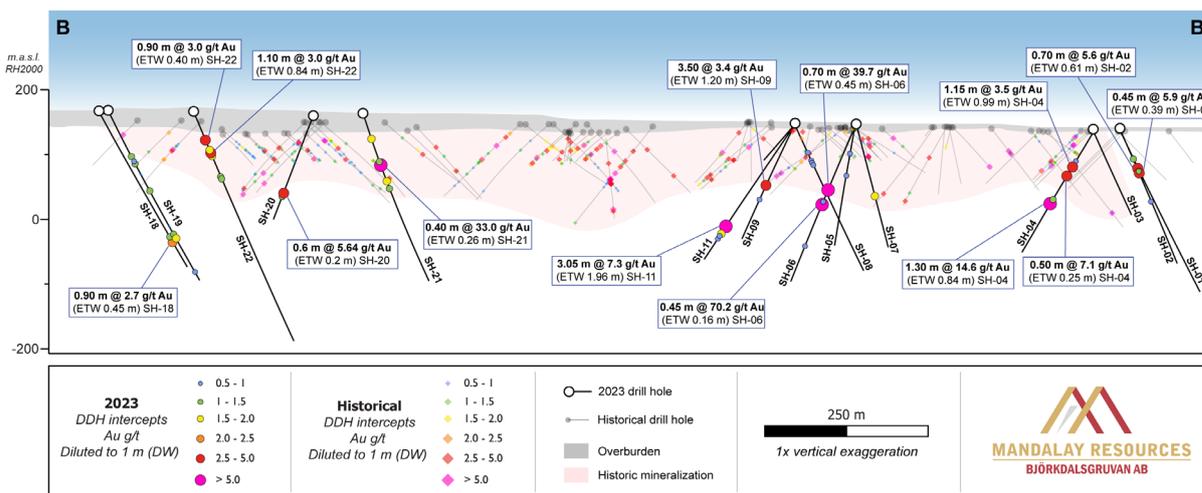


Figure 4: Long Section along confirmed Storheden mineralisation in relation to recent drilling results. See figure 2 for location. Compositated intercepts that, when diluted to 1 m, grade above 2 g/t are annotated.

Gold mineralization occurs predominantly in quartz veins, ranging in thickness from less than a centimetre to more than several decimetres. Gold rich quartz veins are often associated with minor sulphides such as pyrrhotite, pyrite, chalcopyrite and arsenopyrite. In addition, scheelite, tsumoite and free gold are commonly observed in mineralised quartz veins Figure (figure 5 and 6).



Figure 5. Drill core photos from SH-06 showing an intercept grading 39.7 g/t gold over 0.70 m (ETW 0.45 m) (A) and a close up of mineralised quartz vein (B).



Figure 6. Core photo from SH-11 showing the high-grade gold intercepts (A) with combined grade of 7.3 g/t gold over 3.05 m (ETW 1.96 m) at approximately 100m down dip extension from previous knowledge boundary.

During 2023, a limited drill program totaling 1,116 m across 6 drill holes targeted the eastern extension of the marble horizon hosting the Björkdal deposit, which is also situated along the projected SE extension of the Storheden shear system (Figure 1).

No drilling has previously targeted this area, however, limited historic drilling to the east has intercepted minor mineralized quartz veins. Despite its promising structural setting, the 2023 drilling showed that this area lacks the pervasive veining characterizing the Björkdal and Storheden deposits. This is tentatively attributed to a thickening of the marble towards the northern margin of the Björkdal dome that may have accommodated strain during deformation, inhibiting fracturing and veining within in its hanging and footwall.

Drilling and Assaying

At Björkdal, all diamond drill core was logged and sampled by Björkdal geologists. Exploration drill hole samples were sent to CRS Laboratories Oy ("CRS") in Kempele, Finland for sample preparation and assaying.

Assaying was primarily conducted utilizing the Pal1000 cyanide leaching processes. For sulphide-rich samples, Fire-Assaying conducted at MSALABS (FAS-221, 50 g charge) in Canada, following sample preparations (crushing, pulverizing) at CRS Kempele. Mandalay's rigorous QA/QC program included the use of standard reference samples, blanks, duplicates, repeats, and internal laboratory quality assurance procedures. (see March 31, 2023, 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).



Qualified Person:

Chris Davis, Vice President of Operational Geology and Exploration at Mandalay Resources, is a Chartered Professional of the Australasian Institute of Mining and Metallurgy (MAusIMM CP(Geo)), as well as a Member of the Australian Institute of Geoscientists (MAIG) 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 (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, ramping up production from deeper Shepherd veins, both of which will continue to supply high-quality ore to the processing plant, and to extend Mineral Reserves. At Björkdal, the Company will continue to produce 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 2024 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 28, 2024, 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.



Appendix

Table 1. Significant intercepts from the 2023 drilling programs at Storheden

HOLE ID	FROM (M)	TO (M)	INTERVAL (M)	ESTIMATED TRUE WIDTH (M)	GOLD GRADE (G/T)	GOLD GRADE DILUTED TO 1 M (G/T)
SH-02	64.75	65.40	0.65	0.56	1.9	1.0
SH-02	88.00	88.70	0.70	0.61	5.6	3.4
SH-02	92.30	92.85	0.55	0.35	2.1	0.7
SH-02	97.85	98.30	0.45	0.39	6.0	2.3
SH-02	168.25	169.00	0.75	0.65	0.9	0.6
SH-04	70.60	71.25	0.65	0.56	1.1	0.6
SH-04	89.95	91.10	1.15	1.00	3.5	3.5
SH-04	112.50	113.00	0.50	0.25	7.1	1.8
SH-04	171.70	172.45	0.75	0.65	1.6	1.0
SH-04	181.10	182.40	1.30	0.84	14.6	12.2
SH-05	50.60	51.40	0.80	0.40	1.2	0.5
SH-05	96.70	97.20	0.50	0.43	1.9	0.8
SH-06	119.30	120.00	0.70	0.45	39.7	17.9
SH-06	133.70	134.05	0.35	0.27	1.7	0.4
SH-06	136.80	137.25	0.45	0.15	70.2	10.8
SH-07	113.10	115.40	2.30	1.15	1.9	1.9
SH-08	60.35	60.85	0.50	0.25	1.9	0.5
SH-08	74.20	74.80	0.60	0.52	1.0	0.5
SH-08	75.70	76.20	0.50	0.43	1.9	0.8
SH-09	104.50	108.00	3.50	2.25	3.4	3.4
SH-09	132.85	133.30	0.45	0.29	2.1	0.6
SH-11	223.10	226.15	3.05	1.96	7.3	7.3
SH-11	243.95	244.30	0.35	0.22	5.1	1.1
SH-11	248.50	248.90	0.40	0.31	1.5	0.5
SH-18	221.10	222.50	1.40	0.70	1.4	1.0
SH-18	231.60	232.50	0.90	0.45	2.7	1.2
SH-19	81.30	82.00	0.70	0.45	1.9	0.8
SH-19	92.10	93.10	1.00	0.64	1.3	0.8
SH-19	142.45	142.80	0.35	0.20	3.1	0.6
SH-19	221.70	222.45	0.75	0.43	1.5	0.7
SH-19	228.00	228.90	0.90	0.78	2.2	1.7
SH-19	290.35	290.85	0.50	0.43	1.5	0.6
SH-20	135.50	136.10	0.60	0.21	5.6	1.2
SH-20	140.80	141.30	0.50	0.25	2.1	0.5
SH-21	43.50	44.20	0.70	0.66	2.2	1.4
SH-21	47.90	48.60	0.70	0.61	1.2	0.7
SH-21	83.80	84.35	0.55	0.48	2.7	1.3
SH-21	87.20	87.80	0.60	0.34	1.4	0.5
SH-21	89.10	89.50	0.40	0.26	33.0	8.5
SH-21	118.50	119.10	0.60	0.21	3.3	0.7



SH-21	130.70	131.50	0.80	0.66	1.8	1.2
SH-22	48.30	49.20	0.90	0.74	3.0	2.2
SH-22	64.00	65.75	1.75	1.34	1.8	1.8
SH-22	70.00	71.10	1.10	0.84	3.0	2.6
SH-22	73.70	74.10	0.40	0.33	4.1	1.4
SH-22	109.85	110.20	0.35	0.20	3.2	0.6
SH-22	113.00	113.80	0.80	0.66	1.3	0.9

Notes

1. Where true widths are greater than 1m, grades are not diluted and are presented as the grade over the composite true width.
2. Composites that are below 0.5 g/t Au when diluted to 1 m are not reported in this table.

Table 2. Drill hole collar details from the 2023 drilling programs at Storheden

HOLE ID	SWEREF NORTH	SWEREF EAST	SWEREF ELEVATION	DEPTH	AZIMUTH (SWEREF)	DIP	DATE FINISHED
SH-01	7213654	765396	138	302.15	144	-60	23/04/2023
SH-02	7213653	765396	138	309	173	-45	26/04/2023
SH-03	7213385	765255	138	151.5	150	-60	29/04/2023
SH-04	7213384	765257	138	307.6	351	-40	30/04/2023
SH-05	7213563	764932	147	199.95	234	-70	02/05/2023
SH-06	7213563	764933	147	275.2	329	-60	04/05/2023
SH-07	7213562	764933	147	197.6	129	-75	05/05/2023
SH-08	7213567	764834	148	251.3	94	-65	07/05/2023
SH-09	7213566	764835	148	202	323	-60	08/05/2023
SH-10	7213564	764835	148	79.4	320	-45	09/05/2023
SH-11	7213564	764835	148	301.6	339	-44	12/05/2023
SH-12	7213082	765995	145	205.35	160	-46	23/05/2023
SH-13	7213115	766240	143	190.6	166	-54	26/05/2023
SH-14	7213044	766561	138	151.35	166	-50	27/05/2023
SH-15	7213359	766545	140	157.8	165	-50	28/05/2023
SH-16	7213323	766824	151	235.2	160	-50	30/05/2023
SH-17B	7213147	766946	143	176.2	195	-50	03/06/2023
SH-18	7213889	763818	164	276.55	126	-62	05/06/2023
SH-19	7214039	763885	168	305.7	132	-61	09/06/2023
SH-20	7213869	764159	160	181.7	334	-62	12/06/2023
SH-21	7214047	764304	163	299.55	161	-61	16/06/2023
SH-22	7214043	764026	167	392.15	131	-67	21/06/2023