



Mandalay Resources Delivers Strong First Quarter 2024 Financial Results

TORONTO, ON, May 8, 2024 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to announce financial results for the first quarter ended March 31, 2024, supported by solid production results, disciplined capital allocation, and favorable metal prices.

The Company's condensed and consolidated interim financial result for the quarter ended March 31, 2024, together with its Management's Discussion and Analysis ("MD&A") for the corresponding period, can be accessed under the Company's profile on www.sedar.com and on the Company's website at www.mandalayresources.com. All currency references in this press release are in U.S. dollars except as otherwise indicated.

First Quarter 2024 Highlights:

- Significant strengthening of Balance Sheet with cash balance of \$47.1 million;
- Growing net cash position¹ now at \$19.4 million;
- Generated \$29.5 million and \$16.1 million in cash flow from operating activities and free cash flow¹, respectively;
- Consolidated revenue up 32% and 10% as compared to Q1 2023 and Q4 2023 respectively, reaching \$55.5 million;
- Björkdal recorded its highest ever quarterly revenue of \$24.9 million;
- Costerfield generated \$30.6 million in quarterly revenue, its highest since Q2 2022;
- Consolidated quarterly adjusted EBITDA¹ of \$26.7 million, two-fold increase as compared to corresponding quarter last year;
- Consolidated cash operating cost¹ per gold equivalent ounce produced decreased 15% to \$1,039 per ounce in Q1 2024 compared \$1,222 in Q1 2023;
- All-in sustaining cost decreased to \$1,430 per gold equivalent ounce produced in Q1 2024, compared to \$1,612 in Q1 2023; and
- Consolidated net income was \$5.9 million (\$0.06 or C\$0.09 per share).

Frazer Bouchier, President, and CEO commented:

"Our strong production results, coupled with a stable cost structure, led to strong cash generation in the quarter. As compared with the previous quarter, Mandalay significantly bolstered its cash balance by over \$20 million, resulting in \$47.1 million in cash with a net cash position of \$19.4 million in Q1 2024.

"At Björkdal, the site achieved its highest quarterly revenue yet, nearing \$25 million. This was primarily driven by increased tonnage processed and a 9% increase in average gold head grade in Q1 2024, as

¹ Gold equivalent production, adjusted EBITDA, free cash flow, net cash, cash operating costs and all-in sustaining costs are non-GAAP financial performance measures with no standard definition under IFRS. Refer to "Non-GAAP Financial Performance Measures" at the end of this press release for further information.

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compared to the same period last year. Meanwhile, at Costerfield, the site recorded its second consecutive quarter-over-quarter revenue increase, reaching \$30.6 million.”

Hashim Ahmed, CFO commented:

“On a consolidated basis, the Company generated \$16.1 million in free cash flow during Q1 2024, equating to approximately \$636 per ounce of gold equivalent sold. This was supported by a twofold increase in cash flow from operating activities during the same period, amounting to \$29.5 million by the end of Q1 2024.

“Our consolidated cash and all-in sustaining costs per ounce of gold equivalent produced during Q1 2024 were \$1,039 and \$1,430, respectively, marking a decrease compared to the corresponding quarter last year, primarily due to increased gold equivalent production and a stable cost base.

“Mandalay remains committed to a disciplined approach towards capital expenditure, prioritizing projects and initiatives that offer significant returns that align with our long-term growth objectives. In line with this commitment, exploration expenditure is anticipated to remain on course, with an expected full-year spending of \$12 – \$15 million across both operational sites. Additionally, we have successfully renegotiated an extension to our Revolving Credit Facility with Scotiabank, now until 2027, bolstering our financial flexibility to further support these objectives.

Mr. Bouchier continued: “The Company looks forward to building upon its established track record of success by maintaining operational controls and disciplined capital allocation at both mines. This approach will solidify the Company's position for sustained cash flow generation and value creation for its stakeholders. A stronger balance sheet also enables the Company to continue to look for M&A opportunities in the sector.”

First Quarter 2024 Financial Summary

The following table summarizes the Company's consolidated financial results for the three months ended March 31, 2024, December 31, 2023, and March 31, 2023:

(\$ thousands, except where indicated)	Q1 2024	Q1 2023
Revenue	55,511	42,179
Cost of sales	27,031	26,606
Adjusted EBITDA ⁽¹⁾	26,735	12,945
Adjusted net income ⁽¹⁾	12,152	518
Consolidated net income	5,888	554
Capital expenditure	13,145	8,776
Total assets	300,354	279,413
Total liabilities	106,049	94,907
Adjusted net income per share ⁽¹⁾	0.13	0.01
Consolidated net income per share	0.06	0.01

1. Adjusted EBITDA, adjusted net income and adjusted net income per share are non-GAAP financial performance measures with no standard definition under IFRS. Refer to “Non-GAAP Financial Performance Measures” at the end of this press release for further information.

In Q1 2024, Mandalay generated consolidated revenue of \$55.5 million, 32% higher than the first quarter of 2023. The increase in revenue was due to an increase in gold production contributing to higher gold

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equivalent ounces sold of 25,277 ounces in Q1 2024 as compared to 21,769 ounces in Q1 2023. Another contributing factor to the increased revenue was the higher average realized prices: \$2,200 per ounce for gold and \$13,823 per tonne for antimony in Q1 2024 compared to \$1,943 per ounce and \$12,823 per tonne in Q1 2023. In Q1 2024, Mandalay sold 3,508 more gold equivalent ounces than in Q1 2023.

Consolidated cash operating cost per ounce of gold equivalent produced decreased 15% to \$1,039 per ounce in the first quarter of 2024 compared to \$1,222 in the first quarter of 2023. The decrease in cash operating cost was due to a 25% increase of gold equivalent production in Q1 2024 to 24,936 ounces produced compared to 19,986 ounces in Q1 2023, partly offset by 6% increase in cash operating costs. Cost of sales including change in inventory during the first quarter of 2024 versus the first quarter of 2023 were \$0.2 million higher at Costerfield and \$0.2 million higher at Björkdal. Consolidated general and administrative costs were \$0.9 million lower compared to the first quarter of 2023.

Mandalay generated adjusted EBITDA of \$26.7 million in the first quarter of 2024, twice as high compared to the adjusted EBITDA in the first quarter of 2023. The increase in adjusted EBITDA was due to higher revenue in the current quarter. Adjusted net income was \$12.2 million in the first quarter of 2024, which excludes a \$6.0 million loss on financial instruments and \$0.3 million of write-off of assets, compared to an adjusted net income of \$0.5 million in the first quarter of 2023.

Consolidated net income was \$5.9 million for the first quarter of 2024, versus \$0.6 million in the first quarter of 2023. Mandalay ended the first quarter of 2024 with \$47.1 million in cash and cash equivalents.

First Quarter Operational Summary

The table below summarizes the Company's operations, capital expenditures and operational unit costs for the three months ended March 31, 2024, December 31, 2023, and March 31, 2023:

(\$ thousands, except where indicated)	Q1 2024	Q1 2023
Costerfield		
Gold produced (oz)	11,976	7,368
Antimony produced (t)	404	544
Gold equivalent produced (oz)	14,566	11,017
Cash operating cost ⁽¹⁾ per oz gold eq. produced (\$)	780	921
All-in sustaining cost ⁽¹⁾ per oz gold eq. produced (\$)	1,005	1,101
Capital development	854	865
Property, plant and equipment purchases	853	508
Capitalized exploration	1,948	2,151
Björkdal		
Gold produced (oz)	10,370	8,969
Cash operating cost ⁽¹⁾ per oz gold produced (\$)	1,403	1,592
All-in sustaining cost ^(1,3) per oz gold produced (\$)	1,868	1,937
Capital development	2,681	1,809
Property, plant and equipment purchases	1,408	2,583

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(\$ thousands, except where indicated)	Q1 2024	Q1 2023
Björkdal continued		
Capitalized exploration	599	794
Consolidated		
Gold equivalent produced (oz)	24,936	19,986
Cash operating cost ⁽¹⁾ per oz gold eq. produced (\$)	1,039	1,222
All-in sustaining cost ^(1,3) per oz gold eq. produced (\$)	1,430	1,612
Capital development	3,535	2,674
Property, plant and equipment purchases	7,007	3,091
Capitalized exploration ⁽²⁾	2,603	3,011

1. Cash operating cost and all-in sustaining cost are non-GAAP financial performance measures with no standard definition under IFRS. Refer to "Non-GAAP Financial Performance Measures" at the end of this press release for further information.
2. Includes capitalized exploration relating to other non-core assets.
3. All-in sustaining costs in the current year includes tailings dam amortization, accordingly the 2023 comparative figures have been updated.

Costerfield gold-antimony mine, Victoria, Australia

Costerfield produced 11,976 ounces of gold and 404 tonnes of antimony for 14,566 gold equivalent ounces in the first quarter of 2024. Cash operating and all-in sustaining costs at Costerfield of \$780/oz and \$1,005/oz, respectively, compared to cash and all-in sustaining costs of \$921/oz and \$1,101/oz, respectively, in the first quarter of 2023.

During Q1 2024, Costerfield generated \$30.6 million in revenue and \$18.6 million in adjusted EBITDA, which resulted in net income of \$10.0 million. Head grades during Q1 2024, which averaged 12.4 g/t gold and 2.2% antimony. Compared to Q1 2023, Costerfield's gold equivalent production increased significantly, primarily due to the higher milled gold head grade during the quarter.

Björkdal gold mine, Skellefteå, Sweden

Björkdal produced 10,370 ounces of gold in the first quarter of 2024. Cash and all-in sustaining costs at Björkdal were \$1,403/oz and \$1,868/oz, respectively, compared to cash and all-in sustaining costs of \$1,592/oz and \$1,937/oz, respectively, in the first quarter of 2023.

Björkdal continues to show improvement in production and sales figures. During Q1 2024, Björkdal generated \$24.9 million in revenue and \$9.8 million in adjusted EBITDA, which resulted in net loss of \$0.6 million. The production of 10,370 ounces was higher than the 8,969 ounces produced in the first quarter of 2023 primarily due to higher throughput and higher milled gold head grade.

Lupin, Nunavut, Canada

Care and maintenance spending at Lupin was less than \$0.1 million during Q1 2024 and Q1 2023. Reclamation spending at Lupin was \$0.1 million during Q1 2024 and Q1 2023. There will be increased reclamation spend in the remaining year 2024 at Lupin relative to the 2023 year, but the majority of this reclamation work to achieve the majority of closure obligations, is expected to take place in the 2025

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calendar year. Lupin is currently in the process of final closure and reclamation activities, which are partly funded by progressive security reductions held by the Crown Indigenous Relations and Northern Affairs Canada.

La Quebrada, Chile

No work was carried out on the La Quebrada development property during Q1 2024.

Conference Call

A conference call with Frazer Bouchier, President and Chief Executive Officer of Mandalay, for investors and analysts on May 9, 2024, at 8:00 AM (Toronto time). Interested investors may join by using the following dial-in number:

Participant Number (North America toll free):	1-800-836-8184
Conference ID:	24355

Alternatively, please register for the webcast [here](#). A replay of the conference call will be available until 11:59 PM (Toronto time), May 16, 2024, and can be accessed using the following dial-in numbers:

Encore Number (Canada Toll free):	1-888-660-6345
Encore Replay Code:	24355 #

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 regional exploration programs, at both its Costerfield and Björkdal mines. Currently, the Company's main objectives are to continue mining the high-grade Youle and Shepherd veins at Costerfield, and to extend Mineral Reserves. At Björkdal, the Company will aim to increase production from the Eastern Extension area 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 anticipated performance in 2024. 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, 2024, a copy of which is available under Mandalay's profile at

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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.

Non-GAAP Performance Measures

This news release may contain references to Income from mine operations before depreciation & depletion, adjusted EBITDA, adjusted net income, free cash flow, cash operating cost per ounce of gold equivalent produced and all-in sustaining cost all of which are non-GAAP performance measures and do not have standardized meanings under IFRS. Therefore, these measures may not be comparable to similar measures presented by other issuers.

Management uses adjusted EBITDA and free cash flow as measures of operating performance to assist in assessing the Company's ability to generate liquidity through operating cash flow to fund future working capital needs and to fund future capital expenditures, as well as to assist in comparing financial performance from period to period on a consistent basis. Management uses adjusted net income in order to facilitate an understanding of the Company's financial performance prior to the impact of non-recurring or special items. The Company believes that these measures are used by and are useful to investors and other users of the Company's financial statements in evaluating the Company's operating and cash performance because they allow for analysis of its financial results without regard to special, non-cash and other non-core items, which can vary substantially from company to company and over different periods.

The Company defines adjusted EBITDA as income from mine operations, net of administration costs, and before interest, taxes, non-cash charges/(income), intercompany charges and finance costs. The Company defines adjusted net income as net income before special items. Special items are items of income and expense that are presented separately due to their nature and, in some cases, expected infrequency of the events giving rise to them. A reconciliation between adjusted EBITDA and adjusted net income, on the one hand, and consolidated net income, on the other hand, is included in the MD&A.

The Company defines free cash flow as a measure of the Company's ability to generate and manage liquidity. It is calculated starting with the net cash flows from operating activities (as per IFRS) and then subtracting capital expenditures and lease payments. Refer to "Non-GAAP Financial Performance Measures" section of the MD&A for a reconciliation between free cash flow and net cash flows from operating activities.

For Costerfield, equivalent gold ounces produced is calculated by adding to gold ounces produced, the antimony tonnes produced times the average antimony price in the period divided by the average gold price in the period. The total cash operating cost associated with the production of these equivalent ounces produced in the period is then divided by the equivalent gold ounces produced to yield the cash operating cost per equivalent ounce produced. The cash operating cost excludes royalty expenses. Site all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization. Sustaining capital reflects the capital required to maintain each site's current level of operations. The site's all-in sustaining cost per ounce of

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gold equivalent in a period equals the all-in sustaining cost divided by the equivalent gold ounces produced in the period.

For Björkdal, the total cash operating cost associated with the production of gold ounces produced in the period is then divided by the gold ounces produced to yield the cash operating cost per gold ounce produced. The cash operating cost excludes royalty expenses. Site all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization. Sustaining capital reflects the capital required to maintain each site's current level of operations. The site's all-in sustaining cost per ounce of gold equivalent in a period equals the all-in sustaining cost divided by the equivalent gold ounces produced in the period.

For the Company as a whole, cash operating cost per gold equivalent ounce is calculated by summing the gold equivalent ounces produced by each site and dividing the total by the sum of cash operating costs at the sites. Consolidated cash operating cost excludes royalty and corporate level general and administrative expenses. This definition was updated in the third quarter of 2020 to exclude corporate general and administrative expenses to better align with industry standard. All-in sustaining cost per ounce gold equivalent in the period equals the sum of cash operating costs associated with the production of gold equivalent ounces at all operating sites in the period plus corporate overhead expense in the period plus sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization, divided by the total gold equivalent ounces produced in the period. A reconciliation between cost of sales and cash operating costs, and also cash operating cost to all-in sustaining costs are included in the MD&A.

For Further Information:

Frazer Bouchier, Director, President and Chief Executive Officer

Edison Nguyen, Director, Business Valuations and IR

Contact: +1 (647) 258 9722