

Mandalay Successfully Depth Tests the Björkdal Norrberget Gold Deposit Intercepting 13.3 g/t Gold Over 5.5 Meters

TORONTO, ON, May 14th, 2024 – Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announces an exciting extension within the Eastern Prospect - the Norrberget deposit - and provides an update on the Vidmyran exploration target drilling program. Both areas are located approximately 6 km east from the Björkdal mine. This press release is the second in a series of updates on our regional exploration programs at Björkdal.

Program Highlights:

- Successfully extended the Norrberget deposit down-plunge by approximately 120 m or by an additional 80%;
- Intercepted significant grade deeper at Norrberget; and
- Located sheeted gold bearing veining at the nearby Vidmyran target.

Assay Highlights

Norrberget

- **13.3 g/t gold over 5.55 m** (ETW 5.22m) in NB23-004; and
- **17.5 g/t gold over 1.50 m** (ETW 1.41m) in NB23-007.

Vidmyran

- **17.2 g/t gold over 1.30 m** (ETW 0.6m) in VM22-001; and
- **12.1 g/t gold over 1.40 m** (ETW 1.2m) in VM22-003.

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:

"Mandalay has ramped up its regional exploration efforts at Björkdal with exciting results across three highly prospective areas: the Northern, Eastern, and Southern Prospects. Recent drilling has been focused within the Eastern Prospects, situated in a geologic setting analogous to that of the Björkdal mine and hosted within the same structural corridor. The Norrberget and Vidmyran targets are approximately 6 km east of the operating mine.

"Through the summer drilling campaigns of both 2022 and 2023, Mandalay drilled 19 holes into the two prospects. While the Norrberget orebody already has a Mineral Resource and a modest Reserve from previous drilling, it was noted that the system remained open at depth. Encouragingly, the drilling conducted in 2023 revealed the continued strength of the system, extending another 120 m down plunge and confirming its ongoing openness. A highlight was the discovery of a 13.3 g/t gold intercept over 5.55 m indicating a compelling potential for further depth extension. Moving southward, exploration at Vidmyran has shown promise with sheeted gold bearing veins present although for now the higher-grade intercepts are sparse.

"In 2024, Norrberget will again be a focus of exploration with a spring to summer drilling campaign. This initiative will further investigate the strong growth potential within this underexplored region of Mandalay's tenement holdings."





Eastern Prospects

Norrberget and Vidmyran, located approximately 6 km east of the active Björkdal mine, were identified as having strong potential for resource growth and subsequently drilled during 2022 and 2023. Both targets occur within a comparable stratigraphic horizon to the mineralization observed at Björkdal, and along strike of the regional shear system that aids in the formation of gold deposits in the district.

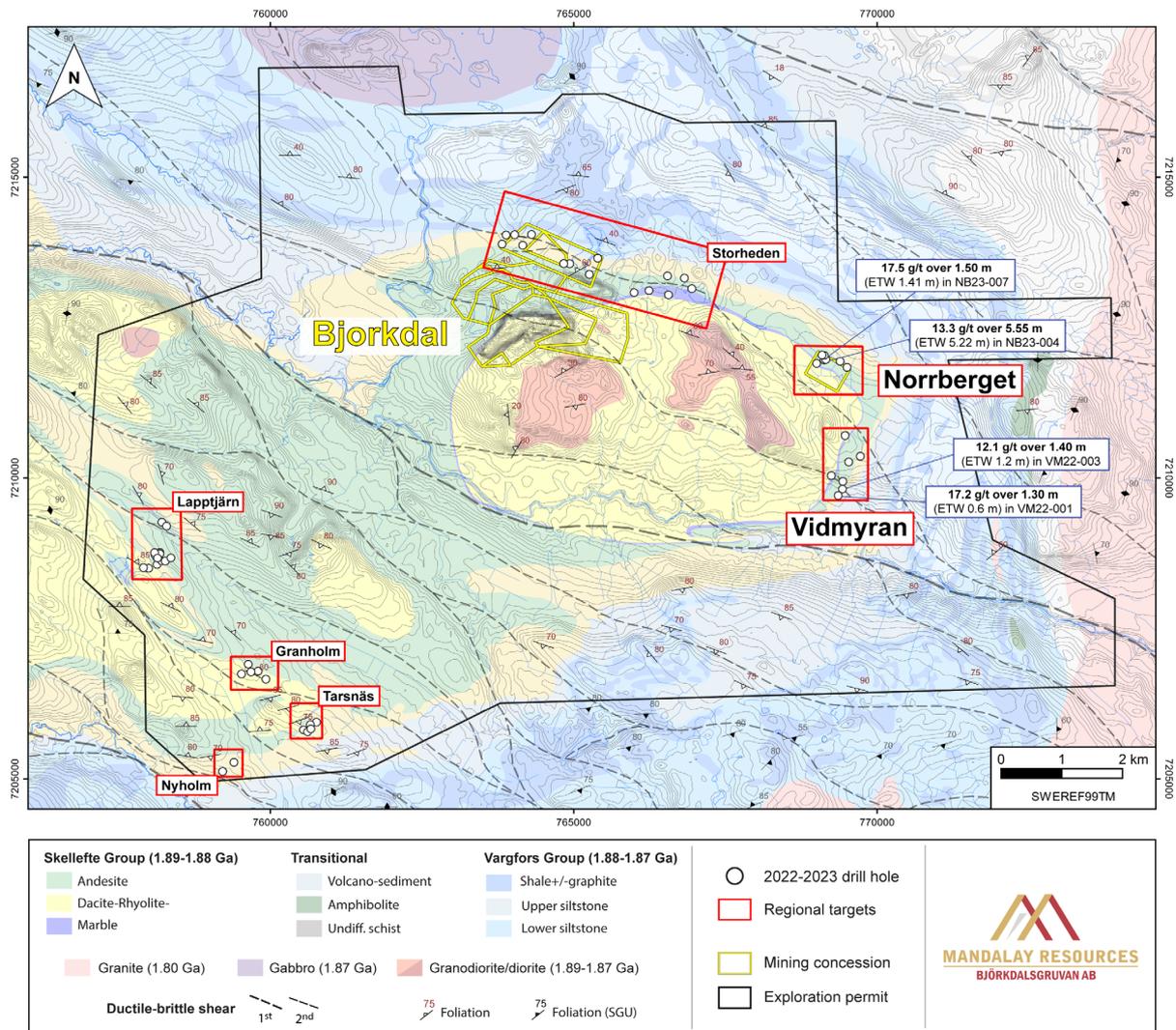


Figure 1. Geological Map centred on Mandalay exploration tenement holdings highlighting the location of exploration drilling described in this release. Highlighted assays results are annotated.

Norrberget

The Norrberget deposit is located about 6 km to the east of the Björkdal mine, on the eastern flank of the "Björkdal dome" (Figure 1-2). In 2016 Mandalay reported an Indicated Mineral Resource of 191Kt at 2.93g/t gold and Mineral Reserve of 170Kt at 2.74 g/t gold for Norrberget. The orebody, at that point, covered an area roughly 280 meters along strike, 150 meters down dip and 5-10 meters width, dipping ~20° to the North. The deposit was still open at depth but no further exploration occurred until the recent campaign.



During the 2023 summer campaign, a total of 2,077 meters were drilled across 12 drillholes. The objective of this campaign was to investigate the down-dip and along-strike continuation of previously defined deposit (Figure 2).

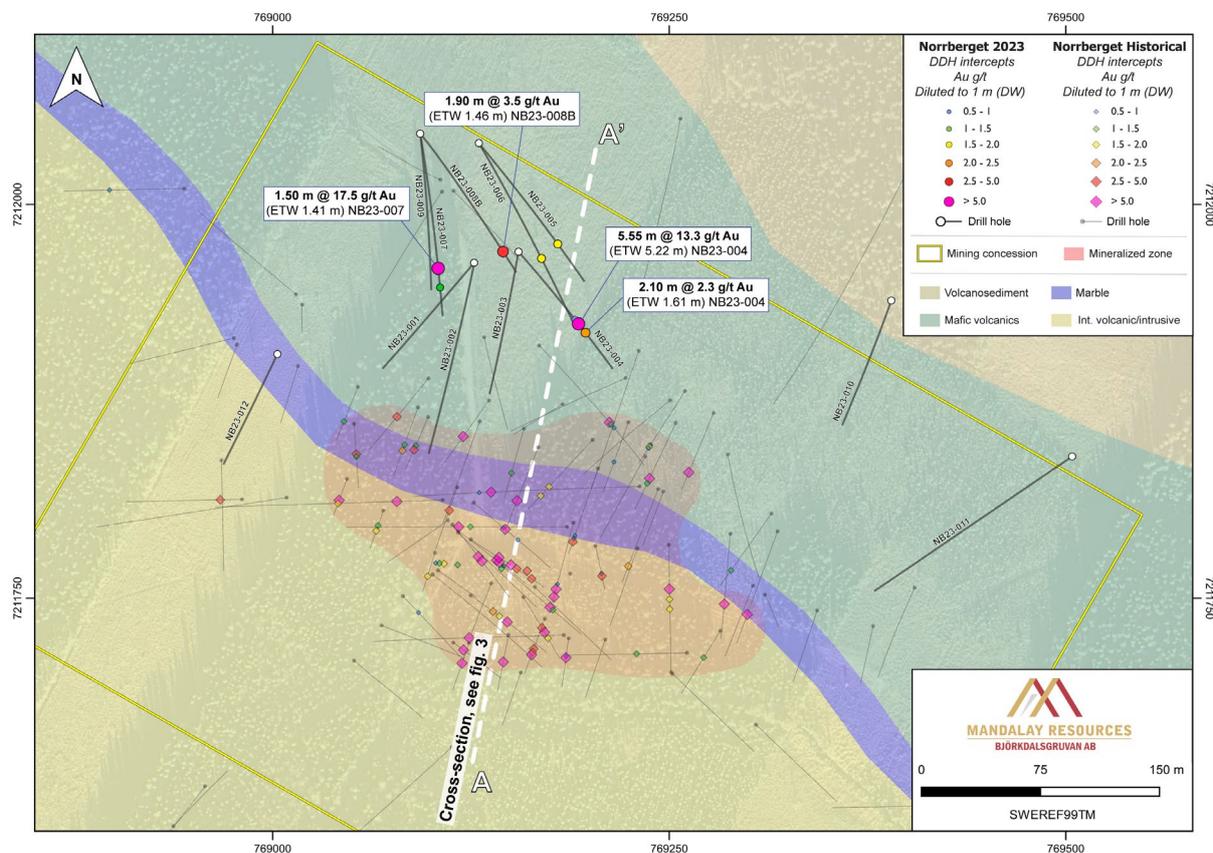


Figure 2: Plan view showing 2023 drilling in relation to historic intercepts and previously identified mineralisation. Composited intercepts that, when diluted to 1m, grade above 2g/t are annotated.

The program was successful in identifying high-grade mineralization in three holes down dip of previous drilling extending the previously known ore system by approximately 120m. A highlight of the drilling is 13.3 g/t gold over 5.55 m (ETW 5.22m) in NB23-004 (Figure 4). The area remains open and will feature in the 2024 drilling campaign.

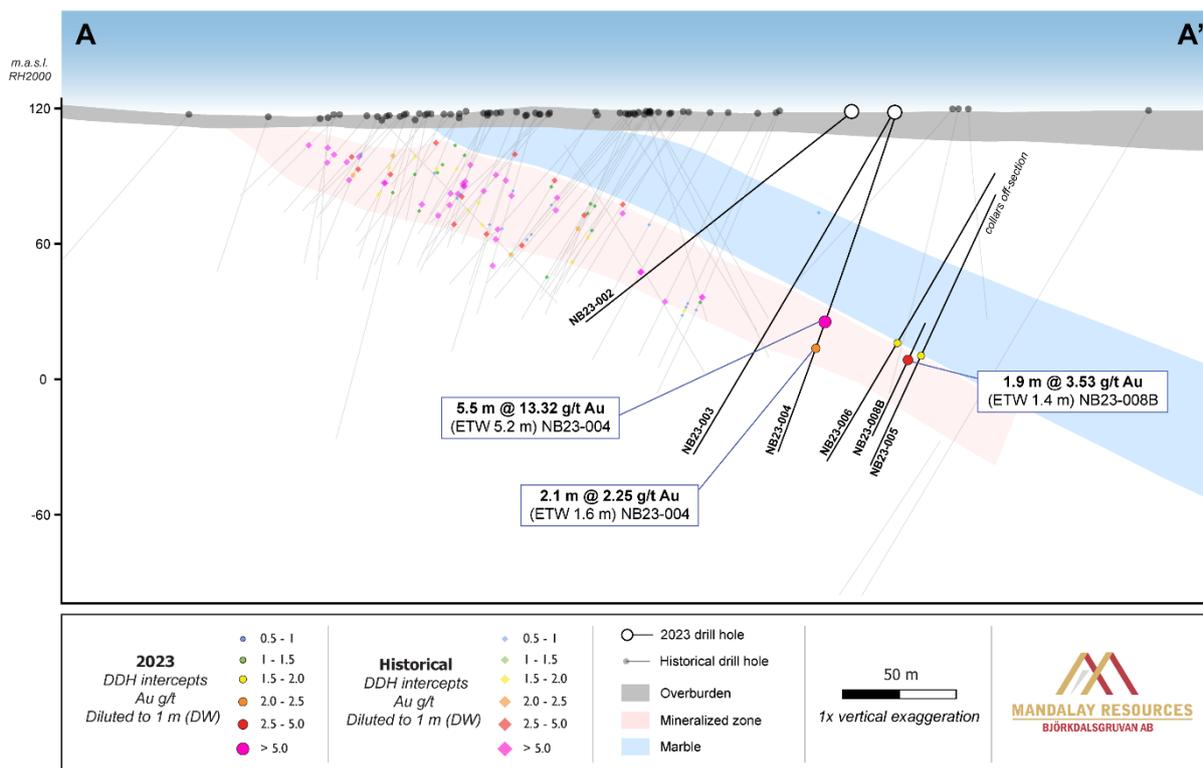


Figure 3 Cross-Section of the Norrberget orebody showing recent drilling. See figure 9 for location. Composited intercepts that, when diluted to 1m, grade above 2g/t are annotated.

Mineralization at Norrberget is hosted within a succession of altered volcanoclastic rocks and interbedded mafic tuffs sitting below a marble unit. The volcanoclastic rocks are strongly altered with bands of medium grained albite-actinolite alteration abundant throughout the unit. The contacts with the mafic tuff are sharp, the tuff is dark green, contains abundant amphibole and locally, randomly oriented albite grains. It is commonly overprinted by thin actinolite veinlets. The mineralization occurs commonly where the two rock types are interbedded, associated with alteration bands and veinlets in both rock types.



Figure 4: Picture of NB23-004 drill core through the of the orebody showing mineralisation and individual assays grades. The combined interval was 13.3 g/t gold over 5.55 m (ETW 5.22m).

Vidmyran

The Vidmyran target is located 6 km southeast of the Björkdal mine, on the eastern flank of the "Björkdal dome" (Figure 1). Mineralization was initially identified in 1992, across a 1.5 km strike length that was described as similar in nature to that of Björkdal.

During the 2022 summer campaign a total of 1,901 metres were drilled across 7 drillholes. The main objective was to better understand the geology, veining orientations and controls on mineralization.

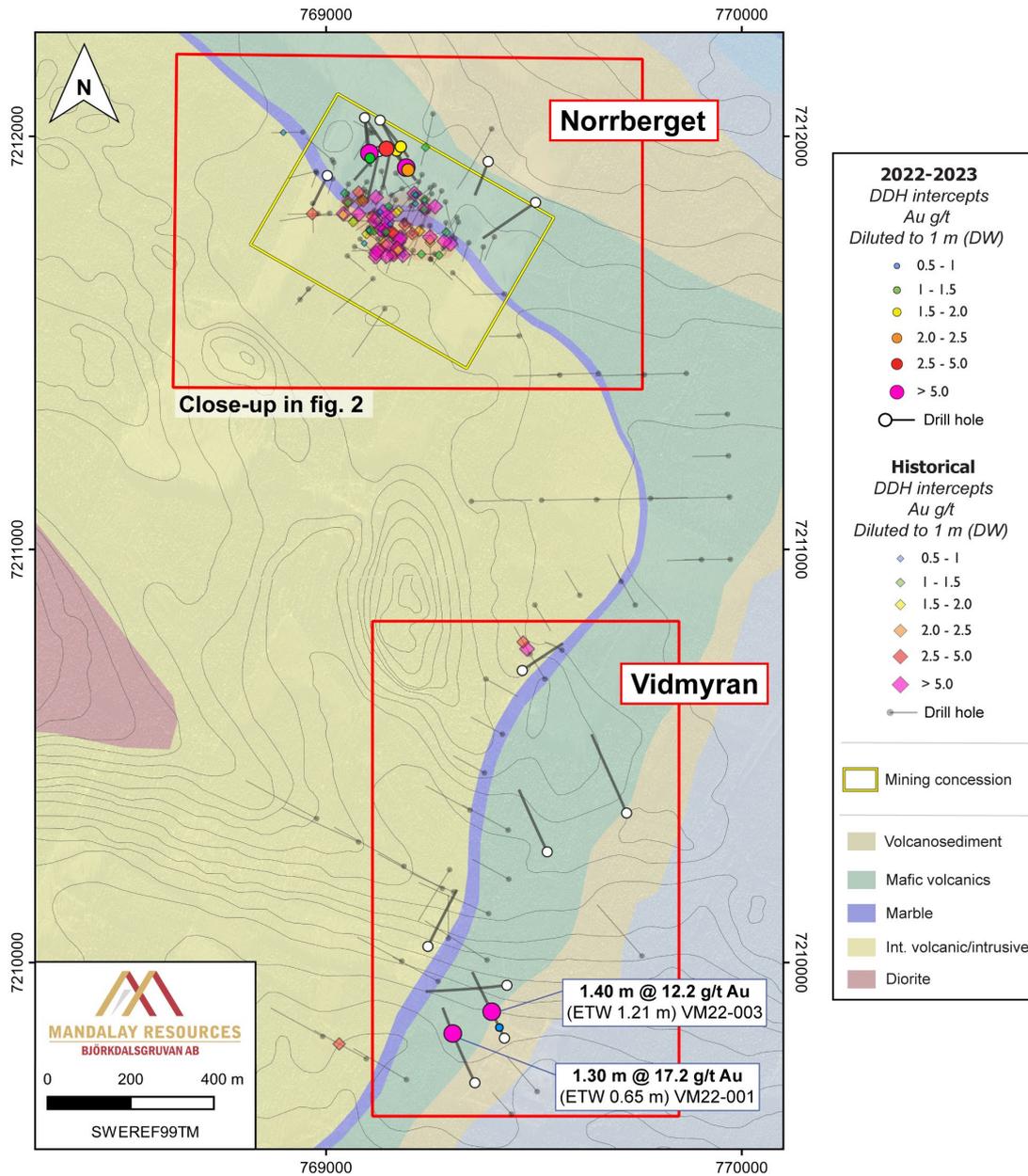


Figure 5. Location map of the Norrberget and Vidmyran targets highlighting significant assays for Vidmyran only.

The program confirmed the presence of mineralization hosted below a marble unit, within moderate to strongly altered intercalated intermediate volcanics and mafic volcanics, injected by abundant tension quartz veins. Gold occurs predominantly in tension/sheeted quartz veins with minor sulphides. Also replicated was the high-grade nature of the mineralization with an intercept returning 53.8 g/t gold over 0.40 meters (Figure 6). In addition, drilling above the marble unit encountered low grade structurally controlled gold mineralization.

The mineralization in the area appears to be predominantly structurally controlled and shares similarities with that seen at Björkdal. Further investigation will be undertaken to unlock the areas full potential.

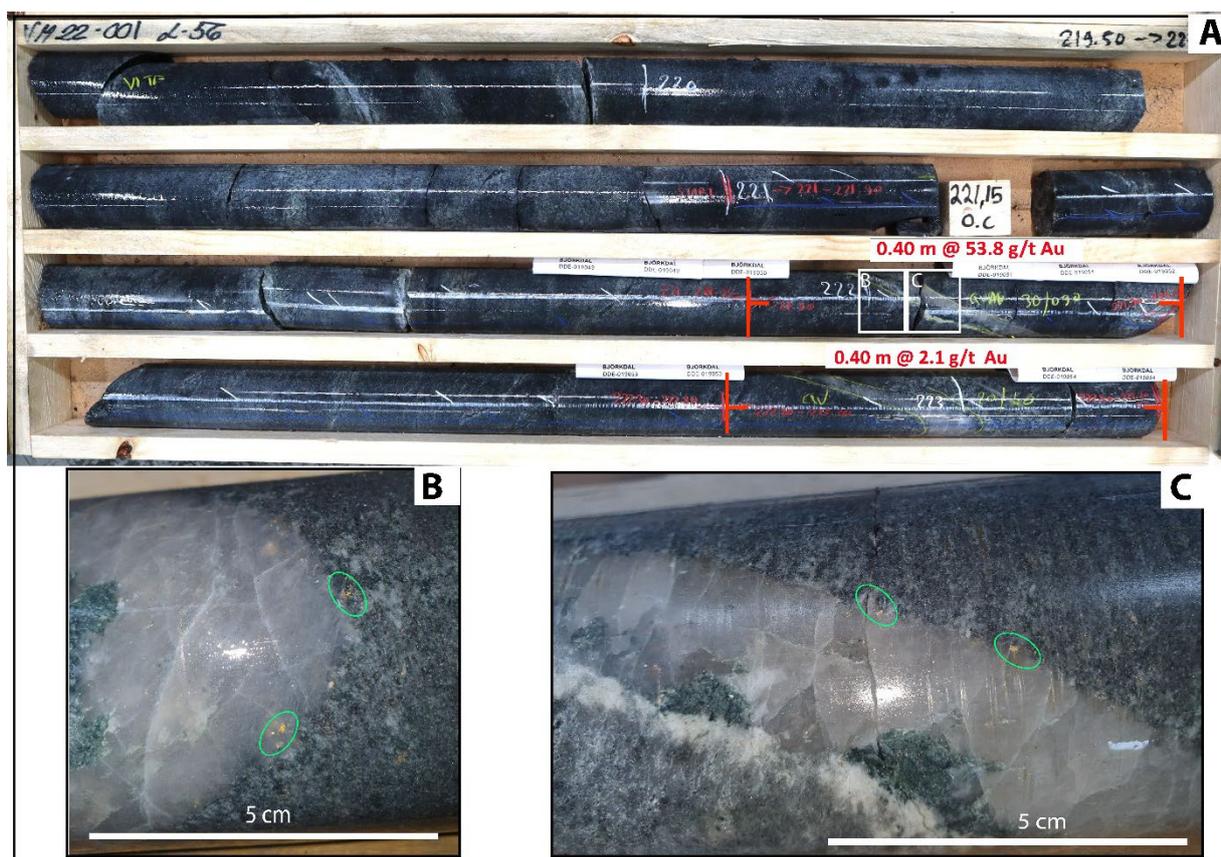


Figure 6. Core Photo from VM22-001, showing visible gold on quartz vein contact (green circles on zoom in photo B and C below). The intercept returned 53.8 g/t gold over 0.40 m (ETW 0.20 m).

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.sedarplus.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 exploration results and plans. 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.sedarplus.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. Drilling Composites

HOLE ID	FROM (M)	TO (M)	INTERVAL (M)	ESTIMATED TRUE WIDTH (M)	GOLD GRADE (G/T)	GOLD GRADE DILUTED TO 1 M (G/T)
NB23-004	108.85	110.30	1.45	1.26	1.0	1.0
NB23-004	111.80	117.35	5.55	5.22	13.3	13.3
NB23-004	127.30	129.40	2.10	1.61	2.3	2.3
NB23-005	134.20	138.70	4.50	3.69	1.7	1.7
NB23-006	130.65	135.15	4.50	3.90	2.0	2.0
NB23-007	120.80	122.30	1.50	1.41	17.5	17.5
NB23-007	138.50	139.00	0.50	0.47	2.5	1.2
NB23-008B	143.90	145.80	1.90	1.46	3.5	3.5
VM22-001	221.90	223.20	1.30	0.65	17.2	11.2
VM22-003	62.50	63.00	0.50	0.43	1.5	0.7
VM22-003	141.30	142.70	1.40	1.21	12.2	12.2

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

HOLE ID	SWEREF NORTH	SWEREF EAST	SWEREF ELEVATION	DEPTH	AZIMUTH (SWEREF)	DIP	DATE FINISHED
NB23-001	7211963	769127	124	150	220	-55	29/08/2023
NB23-002	7211963	769127	124	158.6	190	-40	30/08/2023
NB23-003	7211970	769155	124	182.05	190	-61	01/09/2023
NB23-004	7211970	769155	124	182.6	140	-60	02/09/2023
NB23-005	7212039	769130	123	182.5	140	-56	04/09/2023
NB23-006	7212039	769130	123	203.7	150	-50	06/09/2023
NB23-007	7212045	769093	122	163.8	170	-44	08/09/2023
NB23-008B	7212046	769095	123	171	140	-51	10/09/2023
NB23-009	7212045	769093	123	191.2	175	-60	07/09/2023
NB23-010	7211939	769390	125	170.7	200	-60	12/09/2023
NB23-011	7211840	769504	137	200.6	235	-40	14/09/2023
NB23-012	7211905	769003	124	120.1	205	-51	11/09/2023
VM22-001	7209709	769358	49	297.7	305	-53	29/05/2022
VM22-002	7209945	769435	108	250.4	235	-45	02/06/2022
VM22-003	7209817	769429	95	299.3	305	-55	09/06/2022
VM22-005	7210039	769245	112	251.5	355	-55	05/06/2022
VM22-006	7210268	769532	131	251	305	-54	13/06/2022
VM22-007	7210362	769723	132	351	305	-55	17/06/2022
VM22-008	7210707	769472	139	200.1	25	-55	19/06/2022