

Mandalay Intercepts Gold at Two Highly Prospective Targets Near the Björkdal Mine, Sweden

TORONTO, ON, June 5th, 2024 – Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announces successful results from its regional target testing drill campaigns approximately 6 km to the southwest of the Björkdal Mine. This press release is the third and final in a series of updates on our recent regional exploration programs at Björkdal.

Program Highlights:

- Drilled 26 holes and 6,295 meters of diamond drilling to test high priority regional targets near the Björkdal Mine;
- Intercepted high-grade gold in multiple holes at Lapptjärn including one long interval;
- Returned encouraging results and high-grade gold assay from Granholm; and
- Identified semi-massive sulphide within Tarsnäs with elevated zinc and copper assays.

Assay Highlights

Lapptjärn

- **5.3 g/t gold over 7.05 m** (ETW 5.40m) in LP-6; and
- **8.6 g/t gold over 0.70 m** (ETW 0.35m) in LP-12.

Granholm

- **14.9 g/t gold over 0.5 m** (ETW 0.38m) in GH-2.

Note: Further intercept details including significant intercepts within composite intervals can be found in the appendix to this press release.

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 Southwestern Prospects. This third and final report focuses on drilling within the southwest of the tenement package situated 5 km from, and in a geological setting similar to, the world class Boliden deposit (8.3 Mt at 15.9 g/t gold and 1.42% copper) mined between 1924 and 1966.

"During the recent campaign from 2022 to 2023, four areas were advanced through to drill testing stage. Over the two summer periods, 26 holes were drilled into the targets. Early success was achieved at Lapptjärn, with an intercept of 5.3 g/t gold over 7.05 m, exhibiting characteristics similar to the gold mineralization found at Boliden. Subsequent drilling confirmed the continuity of the mineralization to a depth of 120 m, which remains open. At Granholm, further drilling intercepted similar mineralization with 14.9 g/t gold over 0.5 m. Finally, drilling further south at Tarsnäs intercepted gold mineralization along with intervals of semi-massive sulphide with anomalous zinc and copper.

"While the Storheden and Norrberget deposits (press released [May 14, 2024](#) and [April 24, 2024](#)) remain the focus for 2024, the encouraging results announced today will be followed up with

targeted geophysical surveys at Lapptjärn and Tarsnäs including induced polarization and electromagnetic surveys.”

Highly Prospective Ground

The Björkdal mine is located within the well-endowed Skellefteå mining district in Northern Sweden, which is characterized by its extensive mineralization and diverse geological features. The region hosts several world-class Volcanogenic Massive Sulphide (“VMS”) and orogenic gold deposits, that have been actively mined for over a century (Figure 1). Geologically, the district spans a 120 by 30 km ore-bearing belt dominated by Paleoproterozoic volcanic rocks. This belt is part of a larger volcanic arc formation that emerged between the Bothnian basin to the south and the volcanic rocks of the Arvidsjaur group to the north.

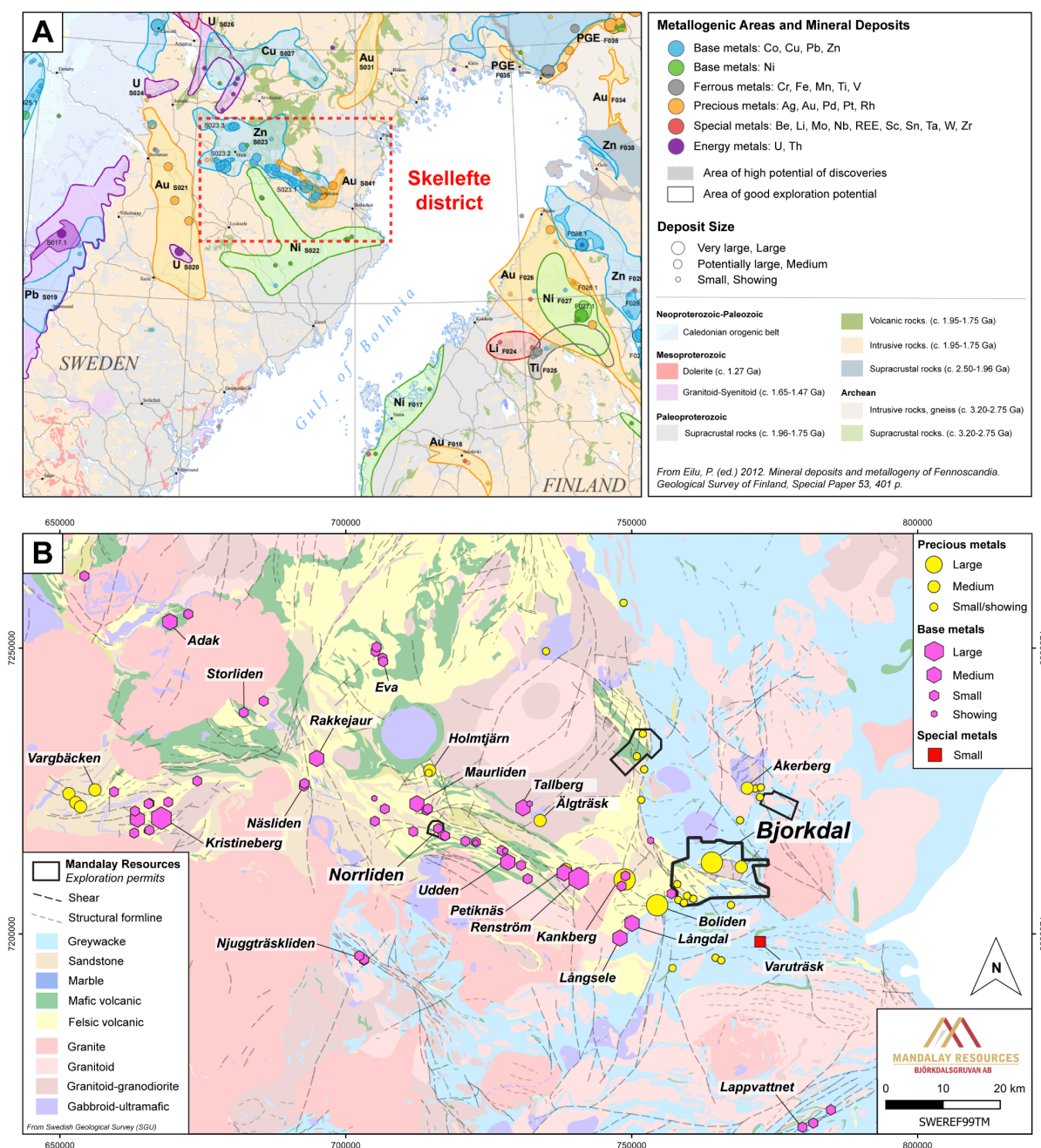


Figure 1. Metallogenic Map of northern Sweden highlighting the location of the Skellefte district (A) and the Geological map of the Skellefte District displaying Mineral Deposits (B) as described in the Fennoscandian Ore Deposit Database (FODD, Eilu 2012).

Southwestern Prospects

During 2022 and 2023, diamond drilling targeted four prospects located approximately 7 km southwest of the Björkdal mine site. The prospects Lapptjärn, Granholm, Tarsnäs and Nyholm are located along a 5 km long, NW-SE striking fold structure that is overprinted by later shear systems. In the southeast, this mineralized corridor terminates against the stratigraphic contact between the regional Skellefte and Vargfors Groups. The prospects are largely hosted within mafic to felsic volcanics of the Upper Skellefte Group, close to the contact with the Vargfors Group. The presence of marble lenses also indicate that they are located in the same stratigraphic interval as the Björkdal, Storheden and Norrberget deposits.

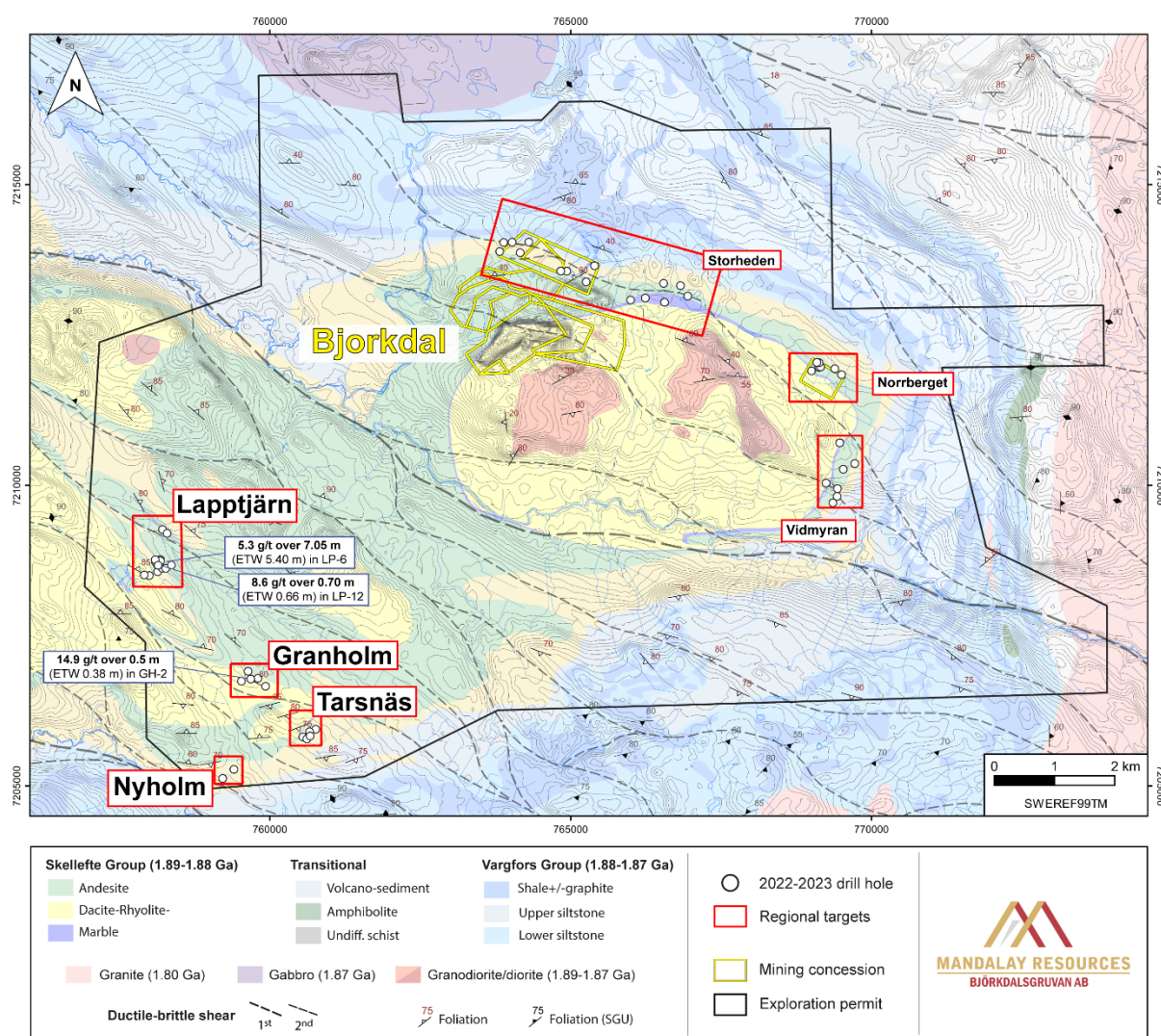
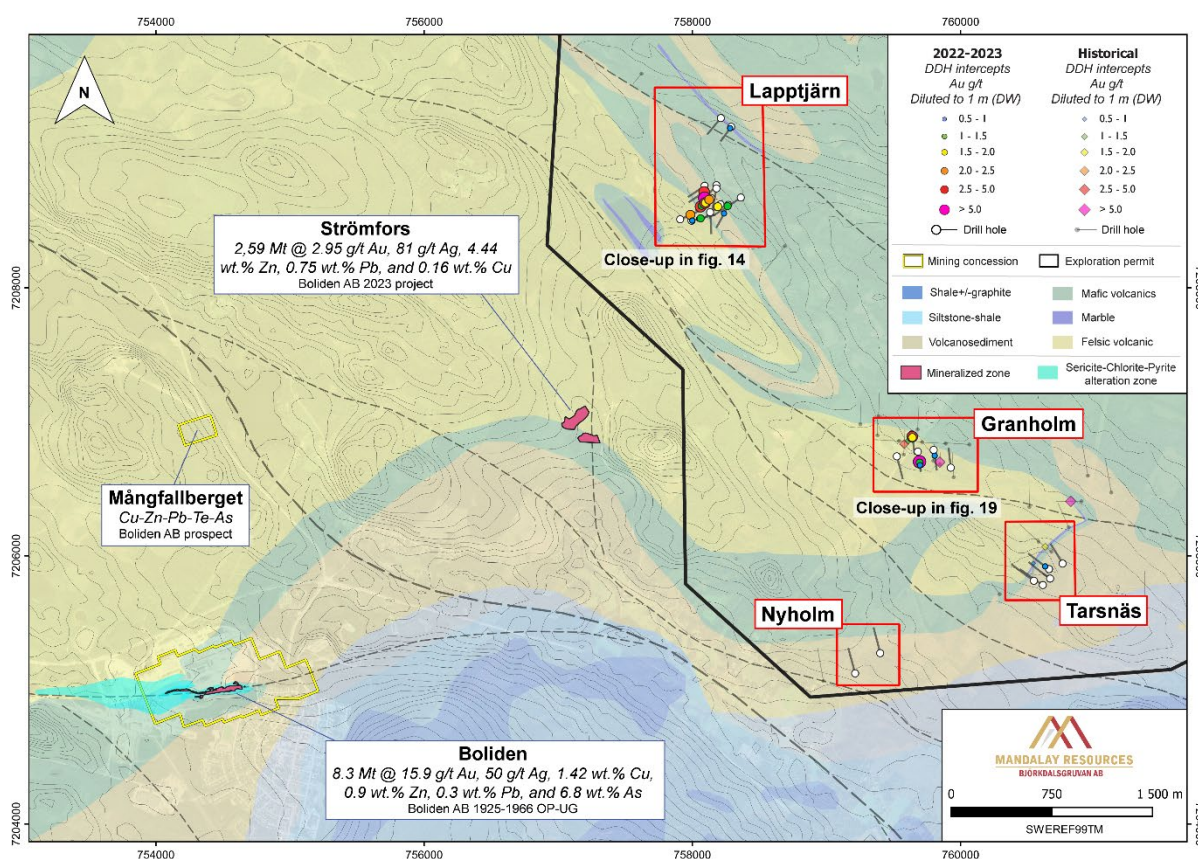


Figure 2. Geological Map centred on Mandalay exploration tenement holdings highlighting the location of exploration drilling described in this release. Highlighted assays results are annotated.

Three major gold deposits are located within a 10 km radius of the southwestern prospects (refer to regional geology map in Figure 1), including the Björkdal mine site, as well as the past-producing Boliden mine (*Boliden AB, historical production of 8.3 Mt @ 15.9 g/t Au, 50 g/t Ag, 1.42 wt. % Cu, 0.9 wt. % Zn, 0.3 wt. % Pb, and 6.8 wt. % As¹*) and the active Kankberg mine (*Boliden AB Summary Report 2023, current proved and probable reserves of 3,760 Kt @ 3.8 g/t Au, 10 g/t Ag, 180 g/t Te and 97 g/t Bi*).

Furthermore, the contact between the Skellefte and Vargfors Groups has been shown to host significant polymetallic Zn-Pb-Cu-Ag-Au deposits, including the historic Långdal and Långsele deposits, as well as the recently discovered Strömfors deposit (*Boliden AB Summary Report 2023, inferred resource of 2,590 Kt @ 2.95 g/t Au, 81 g/t Ag, 4.44 wt. % Zn, 0.75 wt. % Pb, and 0.16 wt. % Cu*). Notably, the latter is located at a distance of less than 4 km from the Lapptjärn, Granholm, Tarsnäs and Nyholm prospects (Figure 3).

The southwestern prospects are located within a geologically favourable setting, with potential for both precious and base metal mineralization. The initial drill campaigns of 2022-2023 focused on testing known mineralized zones and constraining their style and extent, with future efforts aiming to build on this information to generate new targets.²



¹ Mercier-Langevin P, McNicoll V, Allen RL, Blight JHS, Dubé B (2012) The Boliden gold-rich volcanogenic massive sulfide deposit, Skellefte district, Sweden: new U-Pb age constraints and implications at deposit and district scale. *Mineral Deposita* 48: 485–504.

² Mercier-Langevin P, McNicoll V, Allen RL, Blight JHS, Dubé B (2012) The Boliden gold-rich volcanogenic massive sulfide deposit, Skellefte district, Sweden: new U-Pb age constraints and implications at deposit and district scale. *Mineral Deposita* 48: 485–504.



Figure 3. Geological map showing the geographic relationship between recently drilled targets and identified VMS mineralisation in the area. Mercier-Langevin et al. (2012). Strömfors after Boliden AB 2023 summary report.

Lapptjärn

In 2022 and 2023, Mandalay targeted Lapptjärn with two successive diamond drill campaigns, totaling 3,347 m across 13 drill holes, focusing on gold-in-till anomalies initially discovered by Terra Mining AB in 1986 ("Kalkberget project") and previously only tested with reconnaissance percussion drilling between 1986-1988 (Figure 4).

Mineralization at Lapptjärn is associated with structurally controlled lodes of disseminated arsenopyrite or irregular, arsenopyrite-bearing, Quartz-Carbonate veins. The mineralized zone is associated with silica-sericite-chlorite alteration and hosted within a folded sequence of felsic to mafic volcaniclastics belonging to the Skellefte Group, with interbedded marble lenses and graphitic shale.

Several drill holes at Lapptjärn intercepted mineralized intervals, which appear to form a network of lodes over a strike length of 200 m, centered on high-grade intercepts in holes LP-3 and LP-6. Although the high-grade intervals appear to have relatively limited strike and dip extent, the down-dip continuation of mineralization was confirmed by hole LP-12, leaving the system open at depth (Figure 4).

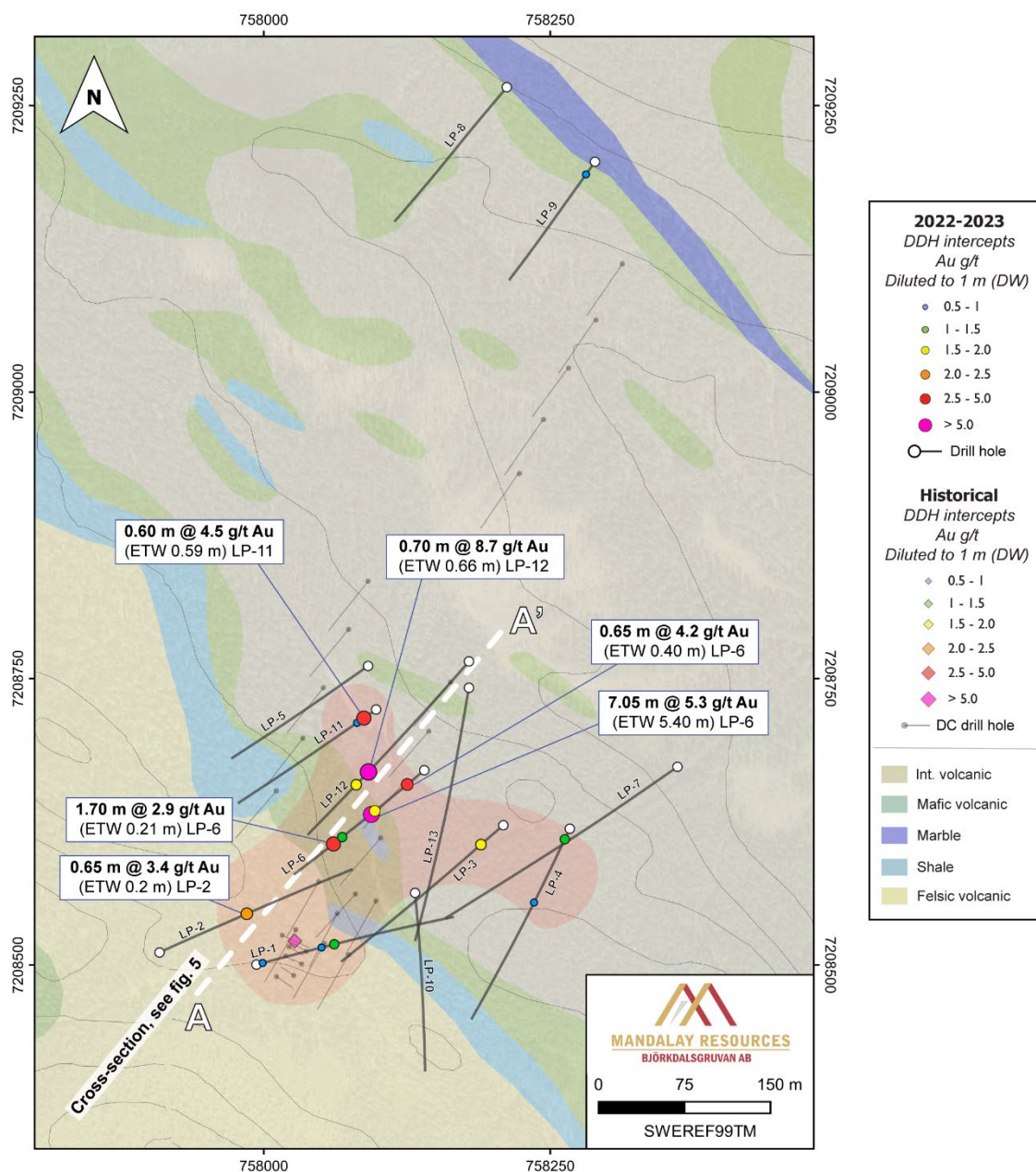


Figure 4. Plan view overview displaying recent drilling at Lapptjärn. Compositated intercepts that, when diluted to 1m, grade above 2g/t are annotated.

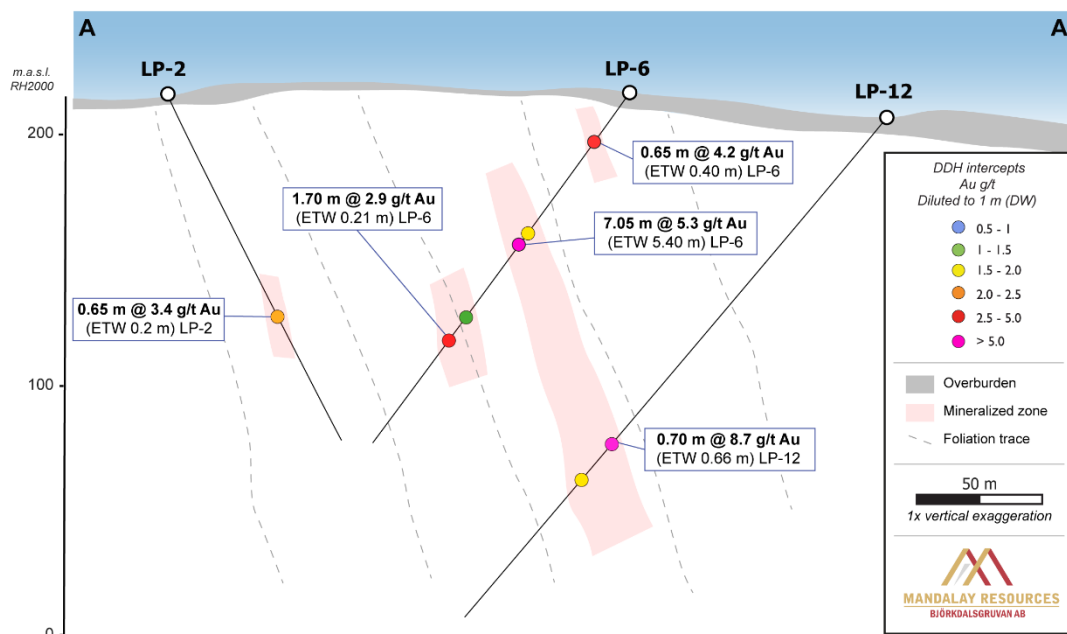


Figure 5. Cross Section +/- 10 m, along LP-2, LP-6 and LP-12. See figure 4 for location. Compositated intercepts that, when diluted to 1m, grade above 2g/t are annotated.

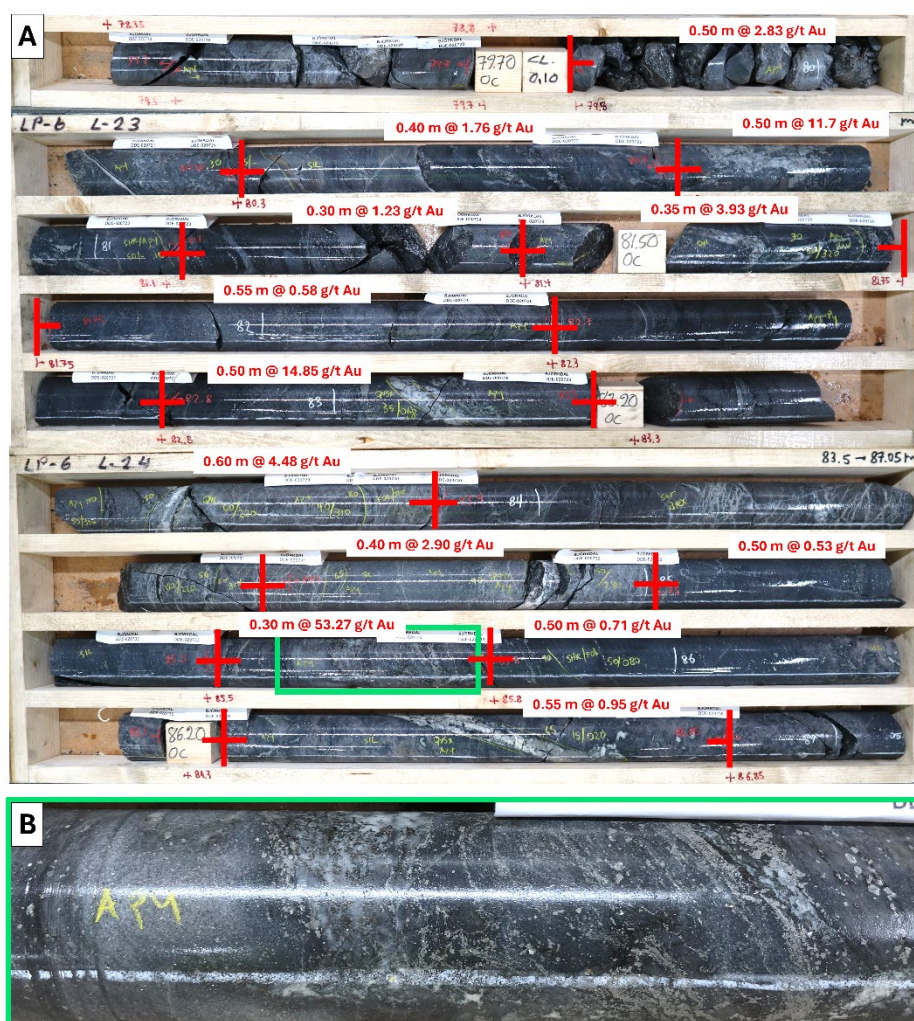


Figure 6. Drill core photos from LP-6 showing 5.3 g/t gold over 7.05 m (ETW 5.40m) intercept (A). Close up of arsenopyrite rich horizon with 53.27 g/t Au (B).

Granholm

During the summer of 2022, Mandalay Resources targeted Granholm with a diamond drill campaign totaling 1,016 m across 5 holes (Figure 7). The campaign aimed to verify and extend upon historical drilling from 1994-1995 by a joint venture between Boliden AB and COGEMA, which targeted an outcropping system of quartz veins associated with arsenopyrite, rare visible gold and zones of moderate to intense sericite alteration. The mineralization is hosted in folded and sheared rhyolitic to andesitic volcanic successions belonging to the Skellefte Group.

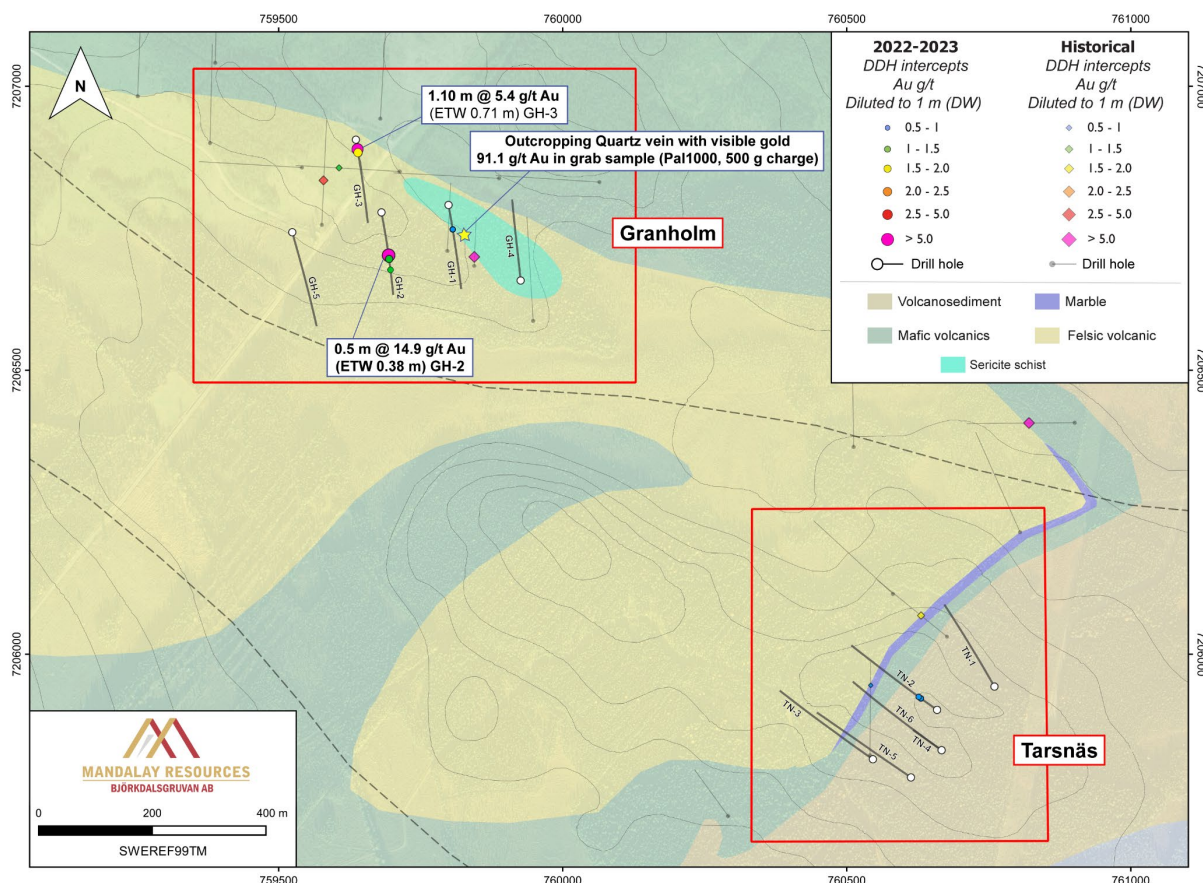


Figure 7. Plan view overview showing recent drilling at Granholm and Tarsnäs. Composited intercepts that, when diluted to 1 m, grade above 2 g/t are annotated.

Holes GH-1, GH-2 and GH-3 intercepted mineralized quartz veins, with the highest grades occurring in veins containing a core of massive arsenopyrite (Figure 8). Lower grades were observed in veins in which arsenopyrite typically occurs as a dissemination in the adjacent wall rock or along the contact of the vein. No visible gold was observed in drill core, however, grab samples from an outcropping Quartz vein include rare <1 mm grains of visible gold, demonstrating the potential for free-milling gold within the system.

Holes GH-1 and GH-4 intercepted broad intervals of sericite schist that is crosscut by the later veins. The sericite schist itself is not mineralized but is indicative of a significant hydrothermal system within the prospect. Strong sericite alteration has been reported from the nearby Boliden deposit¹ and the nature of the alteration system at Granholm is the subject of ongoing investigation.

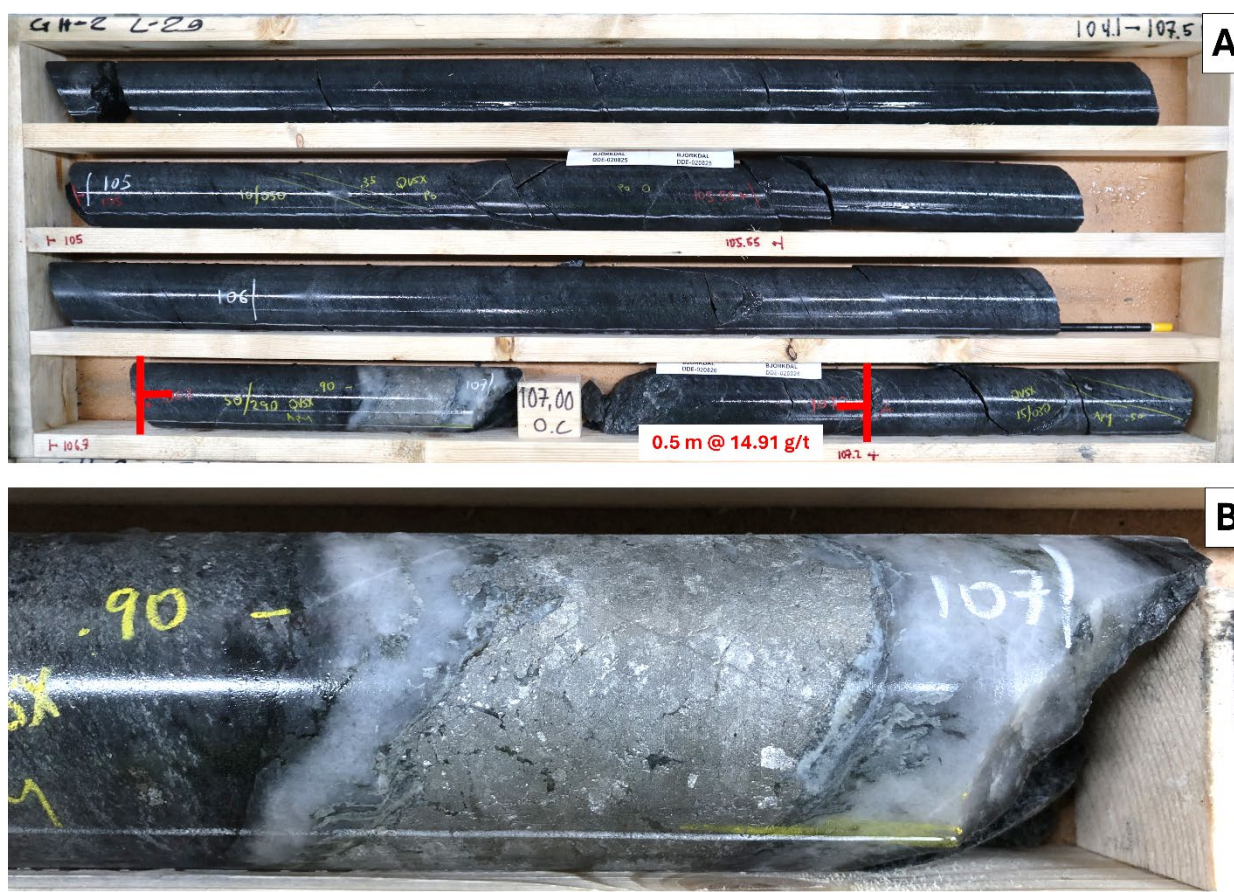


Figure 8. Drill core photos from GH-2 showing 14.9 g/t gold over 0.50 m (ETW 0.38 m) intercept (A). Close up of Arsenopyrite rich quartz vein (B).

Tarsnäs

Mandalay targeted Tarsnäs with two successive drill campaigns in 2022 and 2023, totaling 1,493 m across 5 drill holes, focusing on an untested section of the Skellefte-Vargfors contact to the south of historical drill sites by Boliden AB and COGEMA in 1994-1995 and Eagle Mining AB in 2007-2008. These had previously intercepted auriferous arsenopyrite-bearing Quartz veins situated along the deformed and sericite-chlorite-silica altered contact between the Skellefte and Vargfors Groups.

Highlights from the 2022-2023 drilling include an approximately 4 m wide zone (true width) of shear-hosted, arsenopyrite-rich quartz veins within the Vargfors Group, while arsenopyrite-bearing quartz veins also extends into felsic-intermediate volcanics of the underlying Skellefte Group. In addition, intervals with semi-massive sulphide (pyrrhotite-pyrite) with anomalous Zn-Cu and quartz veinlets with rare sphalerite were also intersected within shales belonging to the lower Vargfors Group (Figure 9).

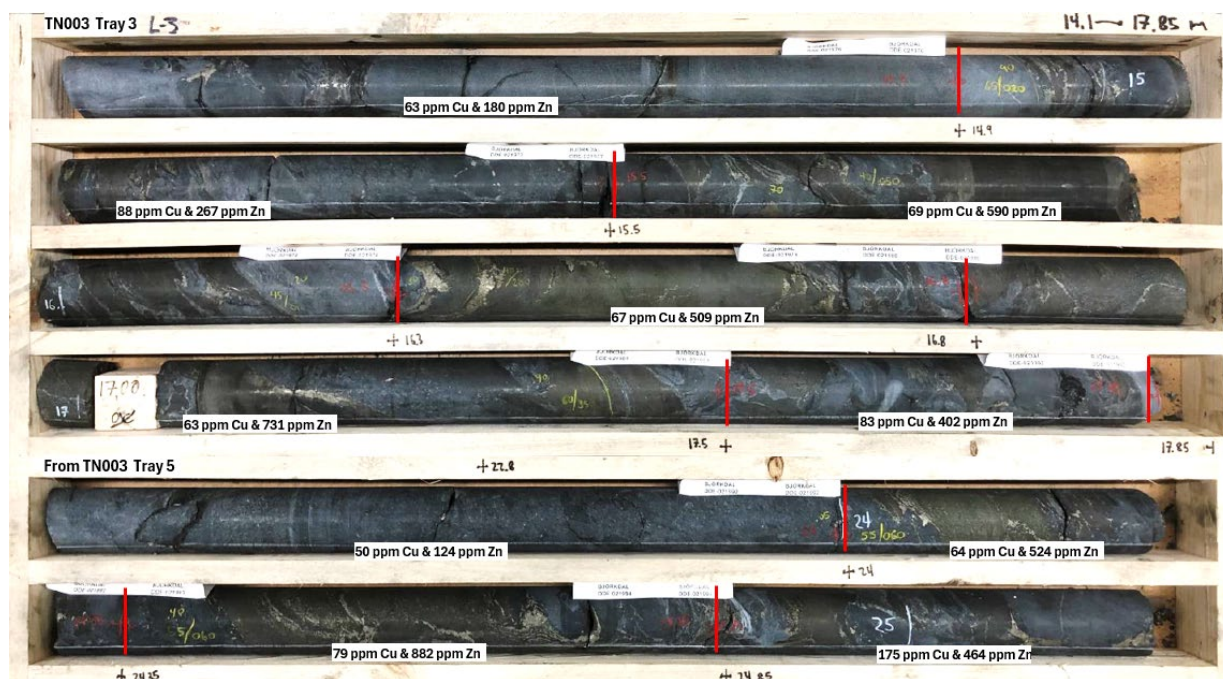


Figure 9. Drill core photos from TN-3 showing intervals with semi-massive sulphide (pyrrhotite-pyrite) with anomalous zinc and copper.

The drilling at Tarsnäs did not return any significant mineralized intercepts. However, Tarsnäs remains an area of interest due to the frequent appearance of sulphides, including arsenopyrite with anomalous gold, and its proximity to the Skellefte-Vargfors contact.

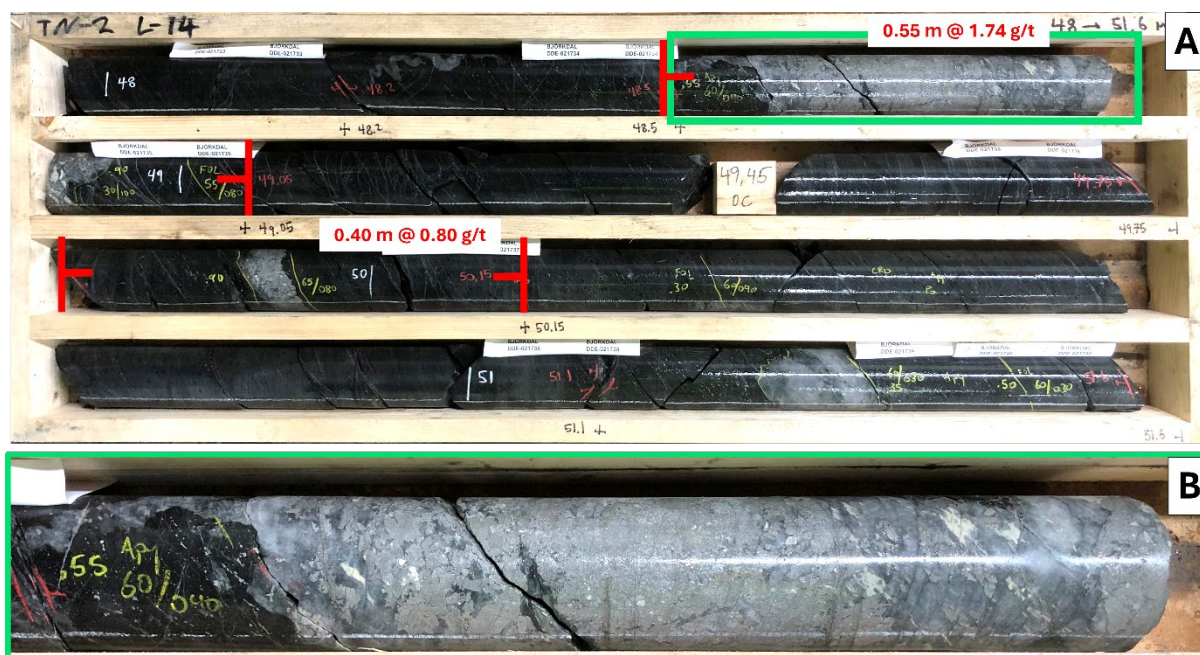


Figure 10. Drill core photos from TN-2 showing 1.74 g/t gold over 0.55 m (ETW 0.48 m) intercept (A). Close-up of arsenopyrite rich quartz vein (B).



Nyholm

Nyholm is located approximately 8 km southwest of the Björkdal mine site, along a segment of the Skellefte-Vargfors contact which has historically been reported as hosting arsenopyrite-bearing quartz veins with anomalous gold.

In the summer of 2022, Mandalay drilled two diamond drill holes across this contact, totalling 500 m. The drill holes intercepted minor intervals of shear-hosted arsenopyrite, occurring either as a weak dissemination or in small stringers. No significant assays were returned from these intervals.

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. 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)
GH-1	60.00	60.40	0.40	0.31	2.1	0.7
GH-2	106.70	107.20	0.50	0.38	14.9	5.7
GH-2	115.60	116.20	0.60	0.39	2.2	0.9
GH-2	142.00	142.45	0.45	0.32	2.5	0.8
GH-3	23.75	24.30	0.55	0.35	5.4	1.9
GH-3	32.05	32.40	0.35	0.27	3.1	0.8
LP-1	82.60	84.35	1.75	0.88	1.0	0.9
LP-1	83.45	84.35	0.90	0.78	1.1	0.8
LP-11	18.30	18.90	0.60	0.59	4.5	2.6
LP-12	180.90	181.60	0.70	0.66	8.7	5.7
LP-12	201.90	202.50	0.60	0.30	2.7	0.8
LP-2	118.45	119.10	0.65	0.61	3.4	2.1
LP-3	35.25	36.50	1.25	1.08	4.5	4.5
LP-4	13.90	14.40	0.50	0.32	2.5	0.8
LP-4	98.30	98.80	0.50	0.38	1.3	0.5
LP-6	27.00	27.65	0.65	0.61	4.2	2.5
LP-6	78.35	78.80	0.45	0.42	3.7	1.6
LP-6	79.80	86.85	7.05	5.40	5.3	5.3
LP-6	128.55	129.35	0.80	0.51	1.8	0.9
LP-9	26.00	26.60	0.60	0.46	1.4	0.7
TN-2	44.80	45.20	0.40	0.35	1.4	0.5
TN-2	48.50	49.05	0.55	0.48	1.7	0.8

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
GH-1	7206791	759799	193	199.1	170	-45	28/08/2022
GH-2	7206778	759681	188	199.9	170	-45	29/08/2022
GH-3	7206906	759636	186	200	170	-45	31/08/2022
GH-4	7206658	759926	173	192.9	354	-45	02/09/2022
GH-5	7206743	759524	182	226	165	-45	08/10/2022
LP-1	7208500	757994	217	250.05	75	-46	13/08/2022
LP-10	7208563	758132	215	209.75	175	-45	10/08/2023
LP-11	7208723	758098	217	201.5	235	-46	11/08/2023
LP-12	7208765	758179	199	281.9	220	-45	15/08/2023
LP-13	7208742	758179	200	301.1	190	-44	19/08/2023
LP-2	7208511	757909	210	254.4	65	-46	16/08/2022
LP-3	7208622	758209	216	250.35	230	-45	19/08/2022
LP-4	7208619	758267	206	251	205	-44	21/08/2022
LP-5	7208761	758091	211	200	235	-45	23/08/2022
LP-6	7208670	758140	214	200.2	230	-45	24/08/2022
LP-7	7208673	758361	199	348.95	235	-49	24/10/2022
LP-8	7209266	758212	198	300.4	220	-61	27/10/2022
LP-9	7209201	758289	197	233.4	215	-60	29/10/2022
NH-1	7205124	759213	200	249.3	345	-44	10/10/2022
NH-2	7205275	759400	203	250.4	345	-45	21/10/2022
TN-1	7205943	760760	203	249.9	330	-51	16/10/2022
TN-2	7205902	760659	194	250.65	305	-45	14/10/2022
TN-3	7205815	760546	204	275	305	-45	18/10/2022
TN-4	7205831	760667	207	107.9	305	-60	25/08/2023
TN-5	7205783	760613	203	350	305	-59	27/08/2023
TN-6	7205831	760667	207	261	305	-44	24/08/2023