



Mandalay Resources Corporation Announces Production and Sales Results for the Second Quarter of 2021 and Change to Senior Management

TORONTO, ON, July 14, 2021 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced today its production and sales results for the second quarter of 2021.

Second Quarter 2021 Production Highlights:

- Solid quarterly production at each site, with further production improvements expected in the coming quarters;
- Consolidated saleable gold equivalent production of 28,843 ounces – fourth consecutive quarter of increased production; and
- Consolidated 28,115 ounces of gold equivalent sold – second highest quarterly amount in three years (since Q2 2018).

Dominic Duffy, President and CEO of Mandalay, commented:

"Mandalay Resources continued to deliver strong reliable results with a consolidated 28,843 saleable production ounces of gold equivalent during the second quarter – the Company's highest result since Q4 2017 – and marked a fourth consecutive quarter of increased production. The 57,519 ounces of gold equivalent produced through June puts the Company firmly on track to meet our 105,000 – 117,000 production guidance for 2021, with further increases expected in the coming quarters."

Mr. Duffy continued, "Costerfield achieved another solid quarter with grades and production performance tracking well within guidance, with the site producing 14,818 ounces of saleable gold equivalent. We are targeting higher levels of gold production from Costerfield in both the third and fourth quarters of the year as stope tonnage ramps up in Youle, which on average is higher grade than development ore."

Mr. Duffy added, "At Björkdal, Q2 2021 production of 10,941 saleable gold ounces was in line with the previous quarter. The processing plant had to manage through several weeks of differing ore blends, which unfortunately resulted in lower recoveries. These small batches of ore mix have been minimized and we expect more stable results coming out of the mill going forward. The site continues to develop to the extremities of the Aurora zone and is currently advancing development along lower levels where the average grade is higher. We anticipate stope production in the deeper levels will begin in the second half of the year, which will lift the overall gold production from Björkdal.

Cerro Bayo produced 3,084 ounces of saleable gold equivalent from the processing of the low-grade waste dumps in the quarter which helped boost the consolidated production."

Mr. Duffy concluded, "We are also announcing that Belinda Labatte has resigned from her position as Chief Development Officer at Mandalay Resources. Belinda has agreed to remain on in a consultancy capacity for a 12-month period in order to help the Company as required to complete the closure efforts at Lupin and outstanding corporate development activities. We thank Belinda for her tireless contributions and wish her all the best for her future endeavors."

Saleable Production for the Quarter Ended June 30, 2021:

- In the second quarter of 2021, the Company produced a total of 22,707 ounces of gold, 858 tonnes of antimony and 87,062 ounces of silver representing a total of 28,843 ounces of gold equivalent, versus 21,603 ounces of gold and 946 tonnes of antimony in the second quarter of 2020, representing a total of 24,752 ounces of gold equivalent.
- Production at Björkdal was 10,941 ounces of gold in the second quarter of 2021 as compared to 11,250 ounces of gold in the second quarter of 2020.
- Production at Costerfield was 9,959 ounces of gold and 858 tonnes of antimony in the second quarter of 2021 versus 10,353 ounces gold and 946 tonnes antimony in the second quarter of 2020.
- Production at Cerro Bayo was 1,807 ounces of gold and 87,062 ounces of silver in the second quarter of 2021 versus no production in the second quarter of 2020.

Saleable Production for the Six Months Ended June 30, 2021:

- The Company produced a total of 46,368 ounces gold, 1,690 tonnes antimony and 130,761 ounces of silver, representing a total of 57,519 ounces of gold equivalent production, versus 42,973 ounces gold and 2,054 tonnes of antimony in the corresponding six months of 2020, representing a total of 50,429 ounces of gold equivalent.
- Production at Björkdal was 22,796 ounces gold.
- Production at Costerfield was 21,041 ounces gold and 1,690 tonnes antimony.
- Production at Cerro Bayo was 2,531 ounces of gold and 130,761 ounces of silver.

Table 1 – Second Quarter and Six Months Saleable Production for 2021 and 2020

Metal	Source	Three months ended June 30 2021	Three months ended June 30 2020	Six months ended June 30 2021	Six months ended June 30 2020
Gold (oz)	Björkdal	10,941	11,250	22,796	22,000
	Costerfield	9,959	10,353	21,041	20,973
	Cerro Bayo	1,807	-	2,531	-
	Total	22,707	21,603	46,368	42,973
Antimony (t)	Costerfield	858	946	1,690	2,054
Silver (oz)	Cerro Bayo	87,062	-	130,761	-
Average quarterly prices:					

Metal	Source	Three months ended June 30 2021	Three months ended June 30 2020	Six months ended June 30 2021	Six months ended June 30 2020
Gold US\$/oz		1,814	1,709		
Antimony US\$/t		10,272	5,688		
Silver US\$/oz		26.61	-		
Total Gold Eq. (oz)⁽¹⁾					
	Björkdal	10,941	11,250	22,796	22,000
	Costerfield	14,818	13,502	30,276	28,429
	Cerro Bayo	3,084	-	4,447	-
	Total	28,843	24,752	57,519	50,429

1. Quarterly gold equivalent ounces ("Au Eq. oz") produced is calculated by multiplying the saleable quantities of gold ("Au"), silver ("Ag") 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 and Ag 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 and Ag prices is www.transamine.com, and Sb price is www.metalbulletin.com.

Sales for the Second Quarter Ended June 30, 2021:

- In the second quarter of 2021, the Company sold a total of 23,147 ounces of gold, 644 tonnes of antimony and 90,024 ounces of silver, representing a total of 28,115 ounces of gold equivalent, versus 21,811 ounces of gold and 933 tonnes of antimony in the second quarter of 2020, representing a total of 24,916 ounces of gold equivalent.
- Björkdal sold 12,132 ounces of gold in the second quarter of 2021 versus 11,290 ounces of gold in the second quarter of 2020.
- Costerfield sold 9,287 ounces of gold and 644 tonnes of antimony in the second quarter of 2021 versus 10,521 ounces of gold and 933 tonnes of antimony in the second quarter of 2020.
- Cerro Bayo sold 1,728 ounces of gold and 90,024 ounces of silver in the second quarter of 2021 versus no sales in the second quarter of 2020.

Sales for the Six Months Ended June 30, 2021:

- The Company sold 47,747 ounces gold, 1,616 tonnes antimony and 90,024 ounces of silver, representing a total of 57,828 ounces of gold equivalent, versus 42,743 ounces gold and 1,793 tonnes antimony in the first six months of 2020, representing a total of 49,192 ounces of gold equivalent.
- Björkdal sold 24,208 ounces gold.
- Costerfield sold 21,811 ounces gold and 1,616 tonnes antimony.
- Cerro Bayo sold 1,728 ounces gold and 90,024 ounces silver in the first six months of 2021 versus no sales in the similar period in 2020.

Table 2 – Second Quarter and Six Months Sales for 2021 and 2020

Metal	Source	Three months ended June 30 2021	Three months ended June 30 2020	Six months ended June 30 2021	Six months ended June 30 2020
Gold (oz)	Björkdal	12,132	11,290	24,208	23,055
	Costerfield	9,287	10,521	21,811	19,688
	Cerro Bayo	1,728	-	1,728	-
	Total	23,147	21,811	47,747	42,743
Antimony (t)	Costerfield	644	933	1,616	1,793
Silver (oz)	Cerro Bayo	90,024	-	90,024	-
Average quarterly prices:					
Gold US\$/oz		1,814	1,709		
Antimony US\$/t		10,272	5,688		
Silver US\$/oz		26.61	-		
Total Gold Eq. (oz)¹					
	Björkdal	12,132	11,290	24,208	23,055
	Costerfield	12,934	13,626	30,571	26,137
	Cerro Bayo	3,049	-	3,049	-
	Total	28,115	24,916	57,828	49,192

1. Quarterly Au 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 and Ag prices 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), with projects in Chile and Canada under care and maintenance, closure or development status. The Company is focused on growing its production profile and reducing costs to generate significant positive cashflow.

Mandalay's mission is to create shareholder value through the profitable operation of both its Costerfield and Björkdal mines. Currently, the Company's main objective is to continue mining the high-grade Youle vein at Costerfield, which continues to supply high-grade ore, and also focus on extending Youle's Mineral Reserves at depth. At Björkdal, the Company will aim to increase

production from the Aurora zone 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 production of gold, antimony and silver for the 2021 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 30, 2021, 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.