



MANDALAY RESOURCES CORPORATION COMPLETES SALE OF CERRO BAYO MINE TO EQUUS MINING

TORONTO, ON, December 2, 2021 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to announce that it has completed the previously announced sale of its Cerro Bayo mine in Region XI, Southern Chile (see Mandalay press releases dated October 12, 2021, and October 8, 2019).

Pursuant to the transaction, Equus Mining Limited ("Equus") acquired the Cerro Bayo mine, including its mining properties, resources and mine infrastructure as well as a 1,500 tonnes per day processing plant, in exchange for 587,502,438 ordinary shares in the capital of Equus. Mandalay also retains a 2.25% net smelter royalty on production from the Cerro Bayo mining claims once the mine has produced at least 50,000 ounces of gold equivalent, subject to a repurchase option in favour of Equus, and remains responsible for 50% of approved site closure costs at Cerro Bayo. In addition, Equus will appoint Ryan Austerberry, Mandalay's Costerfield mine General Manager, to the Board of Equus as a non-executive director representing Mandalay.

Dominic Duffy, President and CEO of Mandalay, commented:

"Mandalay is pleased to have successfully completed the sale of the Cerro Bayo mine to Equus. They are well positioned to move Cerro Bayo forward and we look towards mutually benefiting from the mine's future developments."

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, bring online the deeper Shepherd veins, both of which will continue to supply high-grade ore to the processing plant, and to extend Youle Mineral Reserves. At Björkdal, the Company will aim to

increase production 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. There is no assurance that the proposed transaction will be completed on the terms set out in this press release or at all. 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.