



MANDALAY RESOURCES CORPORATION CONFIRMS EXCELLENT RESULTS FROM ITS BJÖRKDAL EASTWARD MINE EXTENSION DRILLING AND REPORTS ENCOURAGING RESULTS FROM THE NORTH ZONE DRILLING PROGRAM

TORONTO, ON, June 21, 2022 – Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to provide an update on the eastern extension drilling and significant intercepts from the North Zone drilling program at its Björkdal operation in Sweden.

New Drilling Highlights:

North Zone

- **155.0 g/t gold over 0.80 m** (Estimated True Width "ETW" 0.61 m);
- **183.0 g/t gold over 0.45 m** (ETW 0.34 m); and
- **64.8 g/t gold over 0.85 m** (ETW 0.55 m) in MU22-002.

Extension Plunge Extension

- **14.7 g/t gold over 4.10 m** (ETW 3.48 m) in MU21-009;
- **27.3 g/t gold over 2.20 m** (ETW 1.61 m) in MU21-010; and
- **91.3 g/t gold over 0.30 m** (ETW 0.26 m) in MU21-012.

Note: Further intercept details including significant intercepts within composite intervals can be found in Table 1 in the Appendix to this document.

Dominic Duffy, President and CEO of Mandalay, commented:

"We are pleased to report progress on the Eastern Plunge extension program where infill drilling of the eastern section between the Central and Lake Zone plunge extensions have produced excellent results while bridging our knowledge in this new and exciting extension. We expect these results will increase our 2022 year-end Mineral Reserves.

"Furthermore, as the initial step out phase of eastern extension drilling concludes, underground drilling resources will shift towards our North Zone program. An area north of Aurora in which east-west trending veining parallels the Aurora and surrounding veins. The latest round of drilling is ongoing and is aimed at infilling known veining and testing for the lateral and vertical extents. So far, the drilling supports the interpreted veining previously tested and suggest a concentration of veining approximately 450 m north of Aurora where the best grades of the prospect have been recovered in MU22-002. Lateral extension drilling is not far progressed, however, there are indications that the trend could span 750 m.

"Lastly, a video has been prepared by Chris Davis, Vice President of Operational Geology and Exploration, to further explain the information in this release. This video can be found on Mandalay's website or by clicking [here](#)."

Dual focus for Underground Exploration

During the first half of 2022 underground exploration at Björkdal has been focused on further defining the Eastern Plunge extension veining and investigating the breadth and grade of mineralization to the north of Aurora within the North Zone.

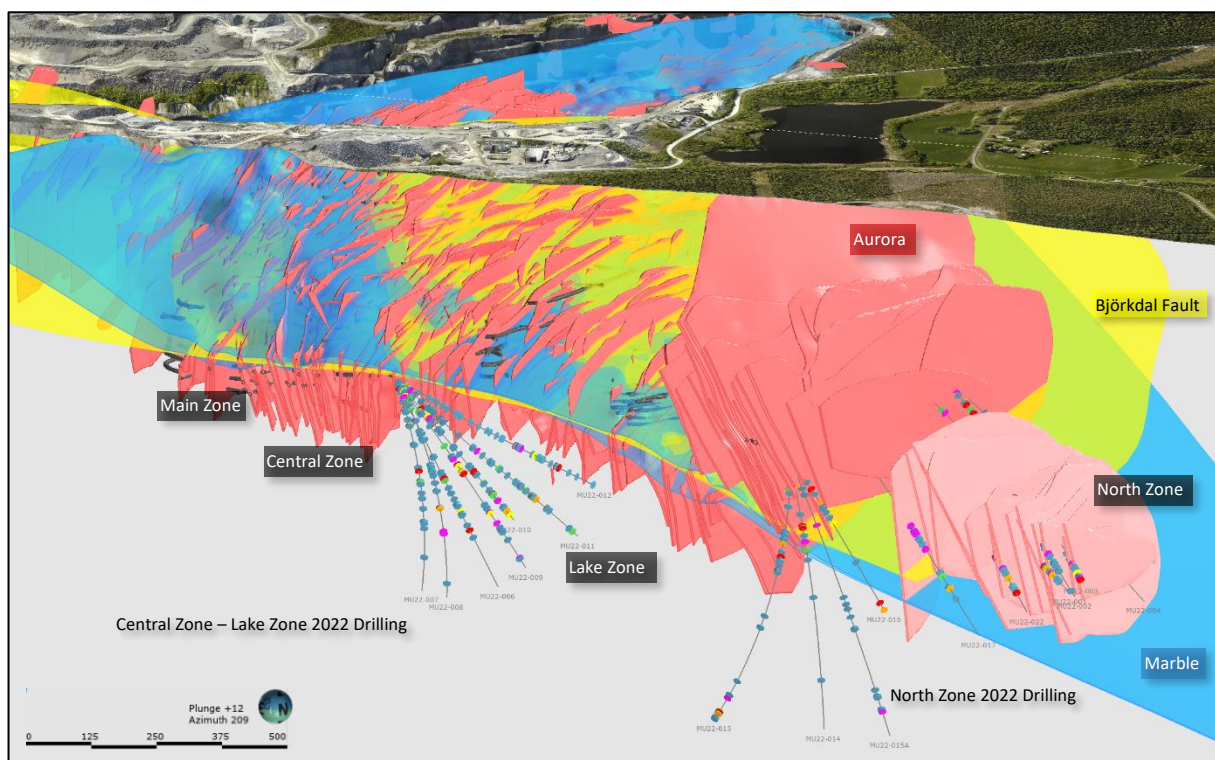
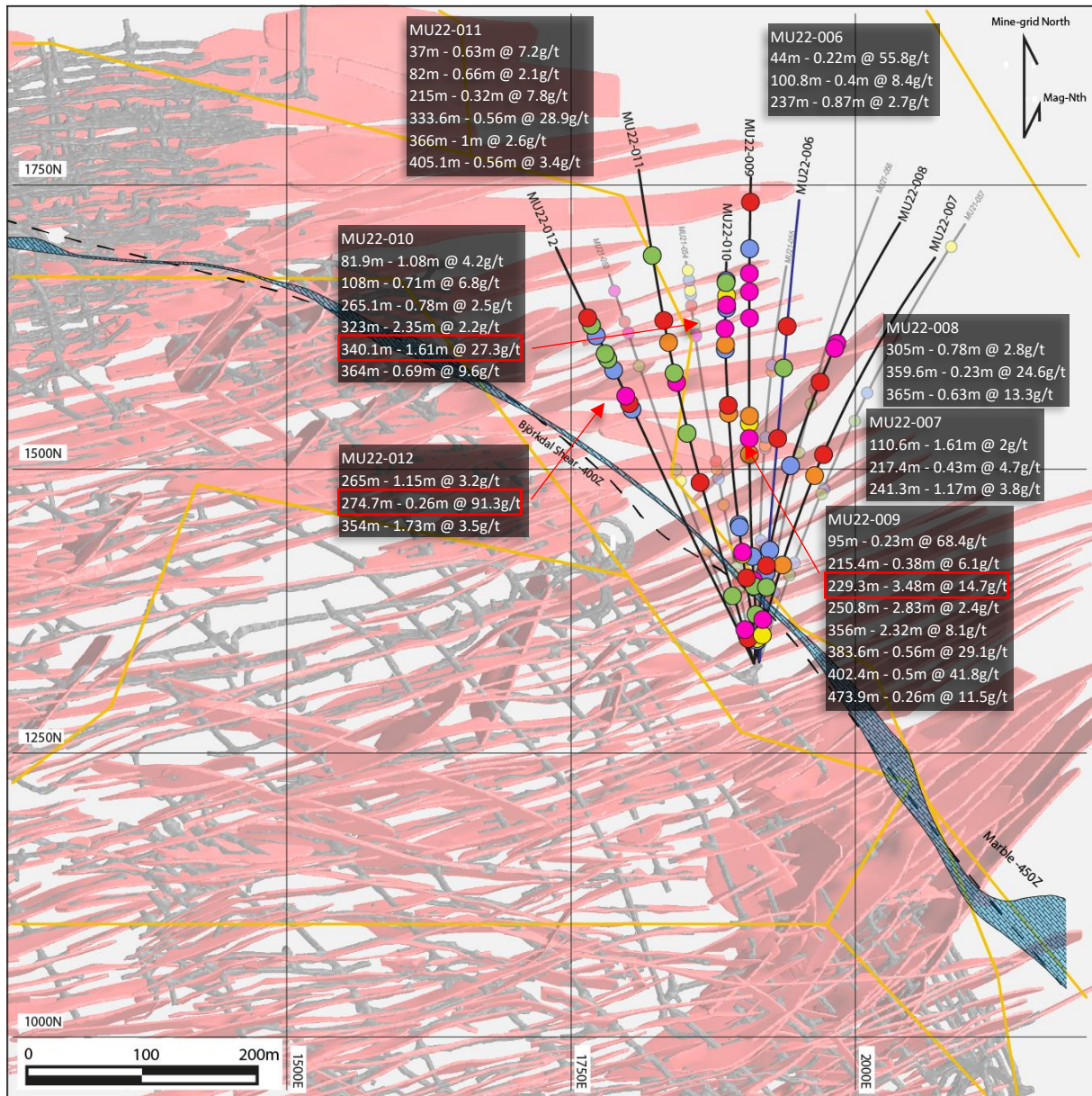


Figure 1. Perspective view of the Björkdal Mine looking towards the SW highlighting the interaction of the veining (Red), Marble (Blue) and Björkdal fault (Yellow). Drilling from the 2022 Eastern extension and North Zone programs is also shown.

Eastern Extension

Late in 2021, it became apparent that a gap of highly prospective ground was underexplored between Lake and Central Zones at depth. A testing program was designed to explore the gap and yielded initial success (press released January 24, 2022). A follow-up drilling campaign was designed to define the extended and newly discovered veining. The 2022 program included seven holes and intercepted 17 now modelled veins with encouraging grades amongst them including 14.7 g/t gold over 4.10 m (3.48 m ETW) and 27.3 g/t gold over 2.20 m (1.61 m ETW). Assays are pending for the last half of MU22-006 however veining was identified within this drillhole along trend.

This drilling program has now identified veining of mineable grades up to 400 m down plunge from the current underground infrastructure.



**Central - Lake Zone
 Drilling
 June 2022**

Workings and Geology

- Development
- Modeled Veining
- Faulting at -450RL
- Concession Boundary
- Marble at -450RL

Drilling Results Showing Gold (g/t)

- Drill Trace Hole ID
- >5.0
 - 2.5 - 5.0
 - 2.0 - 2.5
 - 1.5 - 2
 - 1.0 - 1.5
 - 0.5 - 1.0
- Note 1: Coloured grade ranges are diluted to 1m.
 No dilution is applied where vein true width is greater than 1m

Figure 2. Plan section of the Central Zone – Lake Zone Link Drilling. Intercepts above 0.5 g/t Au when diluted to 1 m are denoted by dots. Drillholes are annotated with composites over 2.0 g/t Au when diluted to 1 m.

Like previous drilling of the eastern continuation, visible gold is common within the quartz veining and is generally accompanied by significant gold grades when assayed. Below is an image of the aforementioned MU022-010 intercept.

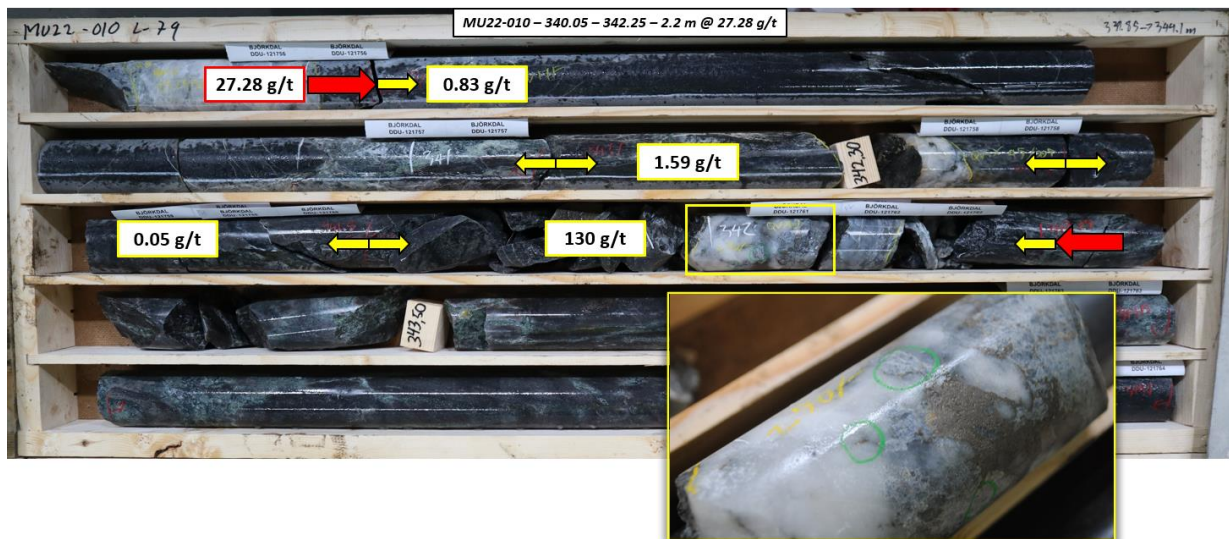
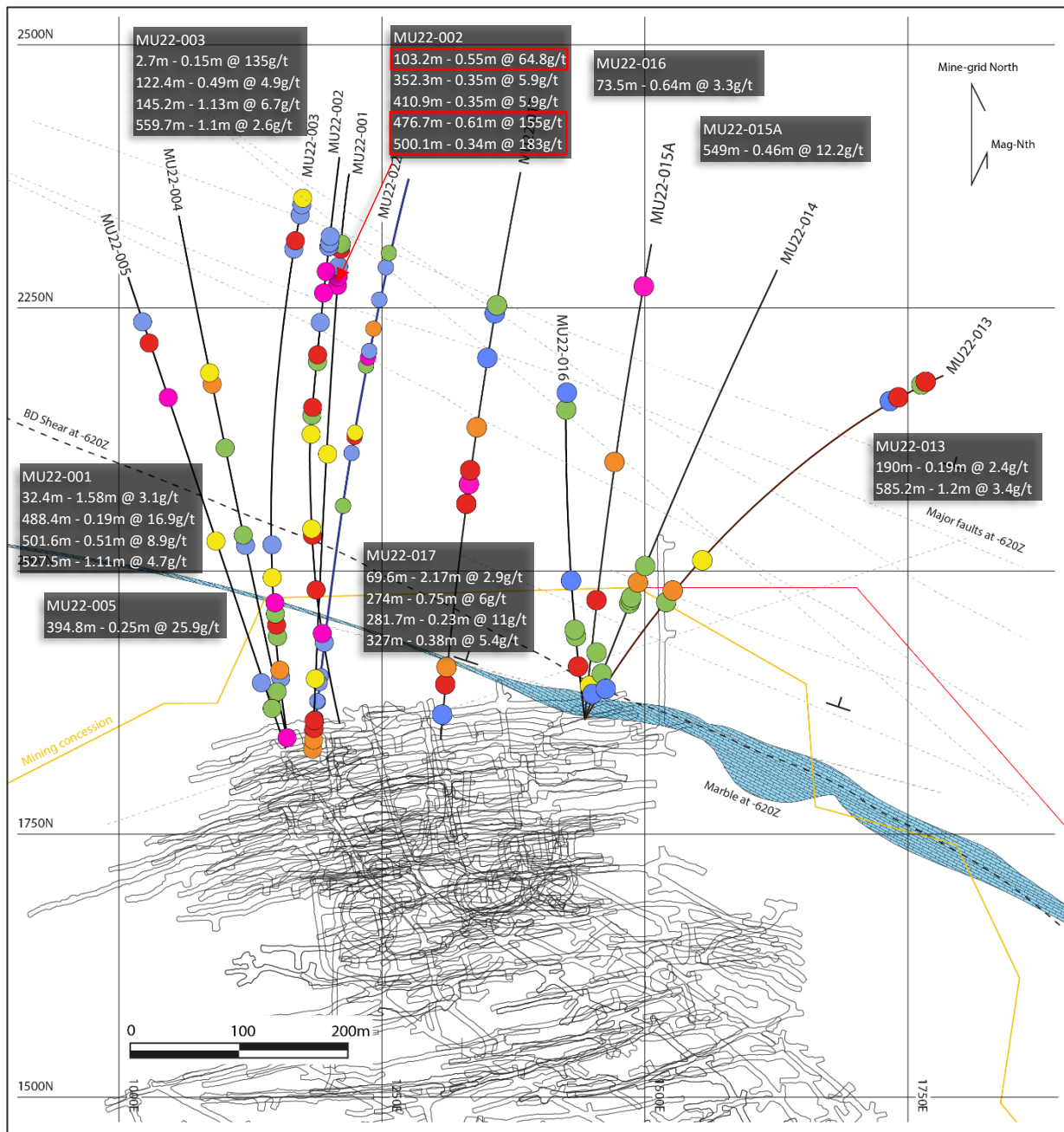


Figure 3. Photograph of core containing gold within MU22-010 (340.05 – 342.25 m – ETW 1.61m @ 27.3 g/t Au).

North Zone

In January 2022, Mandalay recommenced the North Zone drilling program with an intention to further define mineralization intercepted in 2020 and test for lateral and vertical extents. The drilling program is ongoing with 11 drill holes completed to-date. Excitingly, the drilling has highlighted an area of increased veining density at approximately 450 m north of Aurora. This increased density is also accompanied by increased grades with two of the best results in the prospect coming from MU22-002. These are: 155.0 g/t gold over 0.80 m (0.61 m ETW) in MU22-002 and 183.0 g/t gold over 0.45 m (0.34 m ETW).

Apart from the exceptional grade, these intercepts are important due to their location above the marble unit and what that could mean for vertical and lateral grade continuity. Veining below the marble horizon general persists for 80 m in vertical extent. The Aurora orebody – like the North Zone – exists above the marble and has a mineable vertical extent of approximately 350 m and lateral extent of 400 m. The 2022 North Zone drilling campaign has intersected mineralization across a 750 m trend and 200 m vertical extent although the bounds of the zone have not yet been found.



**North Zone Drilling
June 2022**

Workings and Geology

- Development
- Faulting at -620RL
- Concession Boundary
- Marble at -620RL

Drilling Results Showing Gold (g/t)

- Drill Trace
- Hole ID
- >5.0
- 2.5 - 5.0
- 2.0 - 2.5
- 1.5 - 2
- 1.0 - 1.5
- 0.5 - 1.0

Note 1: Coloured grade ranges are diluted to 1m.
No dilution is applied where vein true width is greater than 1m

Figure 4. Plan section of the North Zone drilling area showing the 2022 drilling complete to date. Intercepts above 0.5 g/t Au when diluted to 1 m are denoted by dots. Drillholes are annotated with composites over 2.0 g/t Au when diluted to 1 m.

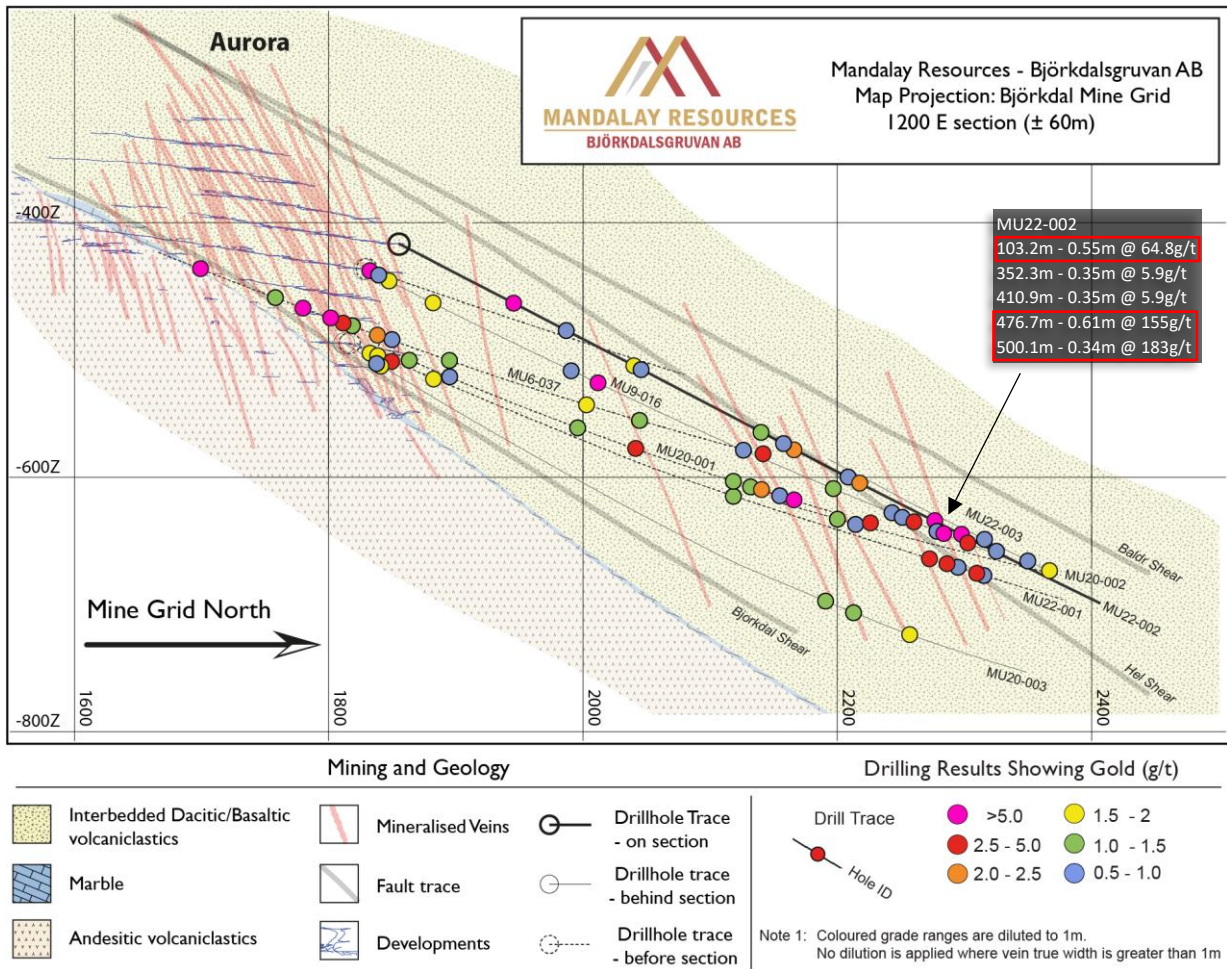


Figure 5. East-West cross-section of area showing the divergence of Marble and Björkdal Shear. Intercepts above 0.5 g/t Au when diluted to 1 m are denoted by dots. Drillholes are annotated with composites over 2.0 g/t Au when diluted to 1 m.

Drilling and development of both areas of interest will be ongoing through 2022 with an intent of increasing reserves and setting up the next high tonnage and grade development area for the Björkdal Mine.

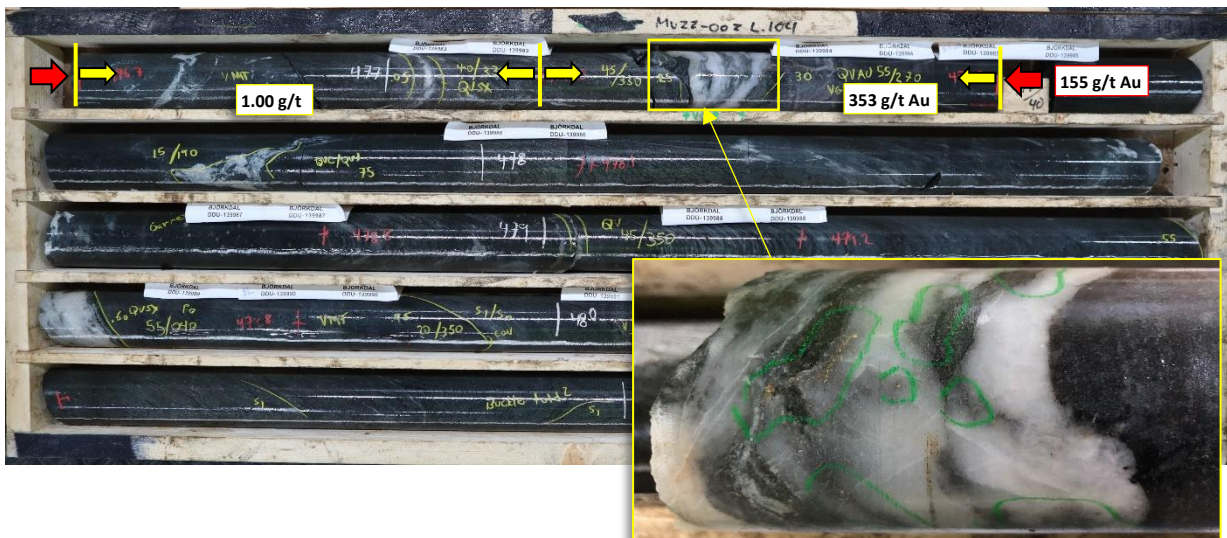


Figure 6. Photograph of the MU22-002 intercept at 476.7m with image of core showing gold entrained within quartz.

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 conducted utilizing the Pal1000 cyanide leaching processes. 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, 2022, Technical Report entitled "Mandalay Resources – Björkdal Property NI 43-101 Technical Report" 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

Dominic Duffy
President and Chief Executive Officer

Edison Nguyen
Director, Business Valuations and Investor Relations

Contact:
647.260.1566 ext. 1

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 closure or development status. 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 objective is 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, including statements regarding the exploration and development potential of the exploration results disclosed. 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, 2022, 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. Table of Significant Intercepts from the Central to Lake Zone drilling program

DRILL HOLE ID	FROM (M)	TO (M)	INTERVAL (M)	ESTIMATED TRUE WIDTH (M)	AU GRADE (G/T)	AU (G/T) OVER MIN. 1M WIDTH
MU22-006	23.30	23.75	0.45	0.34	3.6	1.2
MU22-006	44.00	44.35	0.35	0.22	55.8	12.3
MU22-006	74.60	75.95	1.35	1.30	1.4	1.4
MU22-006	100.75	101.25	0.50	0.40	8.4	8.4
MU22-006	237.00	238.10	1.10	0.87	2.7	2.7
MU22-007	110.55	113.05	2.50	1.61	2.0	2.0
MU22-007	217.40	217.90	0.50	0.43	4.7	2.0
MU22-007	241.30	242.65	1.35	1.17	3.8	3.8
MU22-008	101.15	101.85	0.70	0.44	1.2	1.2
MU22-008	125.80	126.85	1.05	0.66	1.0	1.0
MU22-008	305.00	308.00	3.00	0.78	2.8	2.2
MU22-008	359.55	359.85	0.30	0.23	24.6	5.7
MU22-008	365.00	366.00	1.00	0.63	13.3	13.3
MU22-009	25.00	26.00	1.00	0.77	0.9	0.9
MU22-009	33.00	34.00	1.00	0.77	1.8	1.8
MU22-009	55.00	56.00	1.00	0.77	1.1	1.1
MU22-009	87.00	88.00	1.00	0.77	1.5	1.5
MU22-009	94.95	95.25	0.30	0.23	68.4	15.7
MU22-009	126.05	127.00	0.95	0.73	0.8	0.8
MU22-009	215.40	215.80	0.40	0.38	6.1	2.3
MU22-009	229.30	233.40	4.10	3.48	14.7	14.7

MU22-009	247.70	248.75	1.05	0.81	2.0	2.0
MU22-009	250.80	254.50	3.70	2.83	2.4	2.4
MU22-009	356.00	359.00	3.00	2.32	8.1	8.1
MU22-009	383.60	384.25	0.65	0.56	29.1	16.3
MU22-009	402.35	403.00	0.65	0.50	41.8	20.9
MU22-009	427.00	427.95	0.95	0.73	0.8	0.8
MU22-009	473.85	474.15	0.30	0.26	11.5	3.0
MU22-010	81.85	82.95	1.10	1.08	4.2	4.2
MU22-010	101.95	103.05	1.10	0.78	1.7	1.3
MU22-010	108.00	109.00	1.00	0.71	6.8	4.8
MU22-010	137.00	138.00	1.00	0.78	0.8	0.8
MU22-010	148.05	148.95	0.90	0.78	0.8	0.6
MU22-010	255.85	256.40	0.55	0.39	4.0	1.5
MU22-010	265.05	266.05	1.00	0.78	2.5	2.5
MU22-010	319.05	320.00	0.95	0.74	0.9	0.9
MU22-010	323.00	326.00	3.00	2.35	2.2	2.2
MU22-010	340.05	342.25	2.20	1.61	27.3	27.3
MU22-010	360.00	361.00	1.00	0.78	0.9	0.9
MU22-010	363.95	364.75	0.80	0.69	9.6	6.6
MU22-010	373.20	374.15	0.95	0.78	1.9	1.5
MU22-010	385.00	386.00	1.00	0.78	1.3	1.3
MU22-010	386.60	387.00	0.40	0.38	1.5	0.6
MU22-011	24.00	26.05	2.05	0.87	1.7	1.5
MU22-011	32.00	33.00	1.00	0.66	1.0	1.0
MU22-011	37.00	37.95	0.95	0.63	7.2	7.2
MU22-011	82.00	83.00	1.00	0.66	2.1	2.1
MU22-011	215.00	215.35	0.35	0.32	7.8	2.5
MU22-011	271.95	273.00	1.05	0.70	1.1	1.1
MU22-011	333.60	334.20	0.60	0.56	28.9	16.2
MU22-011	345.00	347.85	2.85	2.18	1.4	1.4
MU22-011	366.00	368.00	2.00	1.00	2.6	2.6
MU22-011	375.95	376.95	1.00	0.50	2.1	1.1
MU22-011	405.05	405.90	0.85	0.56	3.4	3.4
MU22-011	480.75	481.80	1.05	0.53	1.1	0.6
MU22-012	259.45	259.75	0.30	0.28	2.5	0.7
MU22-012	265.00	266.30	1.30	1.15	3.2	3.2
MU22-012	274.70	275.00	0.30	0.26	91.3	23.7
MU22-012	301.70	302.00	0.30	0.27	1.9	0.5
MU22-012	309.00	310.00	1.00	1.00	1.4	1.4
MU22-012	311.00	312.10	1.10	0.71	1.0	0.7
MU22-012	317.95	319.00	1.05	0.95	1.2	1.1
MU22-012	347.40	347.80	0.40	0.20	3.8	0.8
MU22-012	354.00	356.00	2.00	1.73	3.5	3.5

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. Table of Significant Intercepts from the North Zone drilling program

DRILL HOLE ID	FROM (M)	TO (M)	INTERVAL (M)	ESTIMATED TRUE WIDTH (M)	AU GRADE (G/T)	AU (G/T) OVER MIN. 1M WIDTH
MU22-001	12.70	13.35	0.65	0.53	3.6	1.9
MU22-001	22.45	22.85	0.40	0.31	6.4	2.0
MU22-001	32.40	36.15	3.75	1.58	3.1	3.1
MU22-001	78.85	79.30	0.45	0.19	3.4	0.6
MU22-001	322.60	323.25	0.65	0.43	3.1	1.3
MU22-001	488.40	488.70	0.30	0.19	16.9	3.2
MU22-001	501.55	502.35	0.80	0.51	8.9	4.5
MU22-001	509.90	510.25	0.35	0.27	2.2	0.6
MU22-001	527.45	528.90	1.45	1.11	4.7	4.7
MU22-001	532.50	533.10	0.60	0.32	2.5	0.8
MU22-002	103.15	104.00	0.85	0.55	64.8	35.6
MU22-002	149.95	150.55	0.60	0.16	4.8	0.8
MU22-002	210.35	210.80	0.45	0.29	5.7	1.7
MU22-002	216.50	217.20	0.70	0.24	2.6	0.6
MU22-002	323.00	323.60	0.60	0.46	2.7	1.2
MU22-002	343.00	343.45	0.45	0.37	2.5	0.9
MU22-002	352.30	353.00	0.70	0.35	5.9	2.1
MU22-002	400.40	401.00	0.60	0.39	1.9	0.8
MU22-002	410.85	411.40	0.55	0.35	5.9	2.0
MU22-002	476.70	477.50	0.80	0.61	155.0	94.6
MU22-002	500.10	500.55	0.45	0.34	183.0	62.2
MU22-002	530.85	531.55	0.70	0.54	1.0	0.5
MU22-003	2.65	3.00	0.35	0.15	135.0	20.3
MU22-003	88.60	88.95	0.35	0.27	6.8	1.8
MU22-003	115.65	116.45	0.80	0.40	1.4	0.6
MU22-003	122.40	123.10	0.70	0.49	4.9	2.4
MU22-003	135.65	136.70	1.05	0.74	1.2	0.9
MU22-003	145.15	147.25	2.10	1.13	6.7	6.7
MU22-003	173.10	173.80	0.70	0.45	2.2	1.0
MU22-003	546.20	546.60	0.40	0.28	2.0	0.6
MU22-003	559.65	561.20	1.55	1.10	2.6	2.6
MU22-003	584.50	585.05	0.55	0.32	1.7	0.5
MU22-003	599.25	604.65	5.40	3.17	1.9	1.9
MU22-004	63.90	64.65	0.75	0.48	1.6	0.7
MU22-004	237.05	237.40	0.35	0.28	2.2	0.6
MU22-004	248.20	249.20	1.00	0.60	1.1	0.7
MU22-004	350.65	351.60	0.95	0.57	1.5	1.5
MU22-004	424.20	424.60	0.40	0.17	5.9	1.0
MU22-004	437.00	437.55	0.55	0.35	3.3	1.2
MU22-005	37.20	37.80	0.60	0.49	2.0	1.0
MU22-005	58.60	59.20	0.60	0.46	1.6	0.7

MU22-005	231.65	232.25	0.60	0.52	2.6	1.3
MU22-005	394.80	395.30	0.50	0.25	25.9	6.5
MU22-005	462.00	462.60	0.60	0.30	6.1	1.8
MU22-005	476.05	476.50	0.45	0.32	1.9	0.6
MU22-013	190.00	190.50	0.50	0.19	2.4	2.4
MU22-013	251.00	251.50	0.50	0.21	3.8	0.8
MU22-013	549.60	550.10	0.50	0.09	8.9	0.8
MU22-013	580.00	581.80	1.80	0.62	1.5	0.9
MU22-013	585.20	587.60	2.40	1.20	3.4	3.4
MU22-014	56.50	57.00	0.50	0.25	2.3	0.6
MU22-014	145.60	146.00	0.40	0.26	2.8	0.7
MU22-014	149.00	150.00	1.00	0.50	1.1	1.1
MU22-014	151.00	151.40	0.40	0.20	3.0	0.6
MU22-014	181.90	182.30	0.40	0.26	6.0	1.5
MU22-014	199.00	200.00	1.00	0.50	1.5	1.5
MU22-015A	142.00	142.50	0.50	0.25	7.8	2.0
MU22-015A	322.00	322.50	0.50	0.43	4.2	1.8
MU22-015A	549.00	549.60	0.60	0.46	12.2	5.6
MU22-016	73.50	74.50	1.00	0.64	3.3	2.1
MU22-016	109.40	110.00	0.60	0.39	2.1	0.8
MU22-016	117.60	118.50	0.90	0.69	1.3	0.9
MU22-016	161.00	161.40	0.40	0.31	1.9	0.6
MU22-016	365.70	366.00	0.30	0.26	4.7	1.2
MU22-017	69.60	72.10	2.50	2.17	2.9	2.9
MU22-017	79.00	79.50	0.50	0.43	4.2	1.8
MU22-017	255.80	256.30	0.50	0.25	5.9	1.5
MU22-017	274.00	275.00	1.00	0.75	6.0	6.0
MU22-017	281.70	282.00	0.30	0.23	11.0	2.5
MU22-017	327.00	327.40	0.40	0.38	5.4	2.0
MU22-017	410.50	411.00	0.50	0.43	1.4	0.6
MU22-017	449.00	449.60	0.60	0.46	2.2	1.0

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 3. Drill Hole Collar Details

DRILL PROGRAM	DRILL HOLE ID	EASTING	NORTHING	ELEVATION	DEPTH	DIP	AZIMUTH	DATE COMPLETE
CZ - LZ INFILL	MU22-001	763276	7213187	-281	598.90	-23.0	325.3	4/5/2022
CZ - LZ INFILL	MU22-002	763271	7213231	-203	623.80	-26.6	312.9	17/1/2022
CZ - LZ INFILL	MU22-003	763243	7213184	-184	610.20	-27.1	316.8	7/2/2022
CZ - LZ INFILL	MU22-004	763242	7213184	-185	621.05	-33.1	310.2	28/2/2022
CZ - LZ INFILL	MU22-005	763242	7213183	-184	530.40	-30.4	303.4	5/6/2022
CZ - LZ INFILL	MU22-006	764152	7213204	-223	500.50	-35.3	330.2	5/4/2022
CZ - LZ INFILL	MU22-007	764149	7213200	-222	491.80	-36.4	339.1	26/4/2022
NORTH ZONE	MU22-008	764149	7213200	-222	513.45	-35.2	330.2	4/5/2022

NORTH ZONE	MU22-009	764152	7213204	-222	501.05	-30.8	321.3	6/4/2022
NORTH ZONE	MU22-010	764152	7213204	-222	404.35	-30.4	316.3	5/2/2022
NORTH ZONE	MU22-011	764149	7213200	-222	498.05	-29.9	308.3	27/2/2022
NORTH ZONE	MU22-012	764149	7213201	-222	433.00	-22.2	299.3	16/3/2022
NORTH ZONE	MU22-013	763463	7213371	-319	600.35	-36.7	355.5	16/3/2022
NORTH ZONE	MU22-014	763463	7213370	-319	600.30	-39.2	344.7	24/2/2022
NORTH ZONE	MU22-015	763462	7213370	-319	174.50	-41.0	330.3	22/12/2021
NORTH ZONE	MU22-015A	763462	7213370	-319	603.30	-41.1	331.0	30/1/2022
NORTH ZONE	MU22-016	763462	7213370	-319	384.50	-34.5	320.6	6/4/2022
NORTH ZONE	MU22-017	763361	7213275	-301	600.40	-26.2	330.3	4/5/2022
NORTH ZONE	MU22-022	763276	7213187	-281	597.50	-26.0	329.3	14/5/2022

Notes:

1. Coordinate System: SWEREF 99