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MANDALAY RESOURCES CORPORATION ANNOUNCES REFINANCING OF CREDIT FACILITY

TORONTO, ON, December 1, 2022 – Mandalay Resources Corporation (“Mandalay” or the “Company”) (TSX: MND, OTCQB: MNDJF) is pleased to announce that it has entered into a credit agreement with The Bank of Nova Scotia (“Scotiabank”) providing for a senior secured revolving credit facility in an aggregate amount of up to US\$35 million (the “Revolving Credit Facility”).

The initial drawdown under the Revolving Credit Facility will be used to repay the Company’s existing syndicated facility with HSBC Bank Canada and Macquarie Bank Limited (the “Existing Facility”) which had US\$32.6 million outstanding before repayment. The residual proceeds from the Revolving Credit Facility will be used for general corporate and working capital purposes. The hedge arrangements entered into in connection with the Existing Facility will remain in place until their expiry in June 2023.

The Revolving Credit Facility has a term of three years and has no hedging requirements. The Company may cancel any unused portion of the Revolving Credit Facility without penalty at any time and may also prepay any portion of the loan without penalty, subject to certain exceptions. In connection with the Revolving Credit Facility, Scotiabank will hold security over the majority of the Company’s material assets.

Dominic Duffy, President and CEO of Mandalay, commented:

“We are extremely pleased to have accomplished this refinancing with Scotiabank. The Revolving Credit Facility was obtained at a reduced rate compared to that of the Existing Facility and provides us with financial flexibility as it removes the need for the US\$28.8 million balloon payment that existed with the Existing Facility which was due in March 2023. We look forward to working with Scotiabank in the future which will contribute to the long-term success of the Company.”

For Further Information:

Dominic Duffy
President and Chief Executive Officer

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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 cash flow.

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 may contain "forward-looking statements" within the meaning of applicable securities laws. 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. 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. 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.