



Mandalay Resources Corporation Announces 2022 Fourth Quarter and Full-Year Production and Sales Results, Provides Guidance for 2023

TORONTO, ON, January 13, 2023 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced today its production and sales results for the fourth quarter and full-year 2022 and provides production and cost guidance for 2023.

2022 Production Highlights:

- Consolidated full-year 2022 production of 105,906 saleable gold equivalent ounces; and
- Full-year consolidated saleable gold equivalent sold was 106,094 ounces.

2023 Production and Cost Guidance:

- Consolidated production guidance of 105,000 – 118,000 saleable gold equivalent ounces; and
- Cash cost and all-in sustaining costs expected at \$800 – \$975 and \$1,150 – \$1,325 per gold equivalent ounce, respectively.

Dominic Duffy, President and CEO of Mandalay, commented:

"2022 was a strong year for Mandalay Resources. On a consolidated basis, Mandalay recorded its best month during 2022, in October with 10,553 saleable gold equivalent ounces produced. This contributed towards a solid fourth quarter with 25,683 gold equivalent ounces produced. For the full-year of 2022, the Company produced 105,906 saleable gold equivalent ounces – marking the Company's second highest consolidated annual production rate since 2017. The lower annual production in 2022, when compared to 2021, was primarily due to Cerro Bayo's 2021 production of 9,037 gold equivalent ounces, as opposed to no production in 2022 due to the sale of the asset in December 2021, as well as COVID-related labor shortages at both operating sites in 2022.

"For Q4, Costerfield produced 15,427 gold equivalent ounces, which was broadly in line with the previous quarters of 2022. The site produced less ounces in December, as milled tonnes were below expectations due to a planned ball mill re-lining at the plant. In addition, a lower-than-average level of concentrate was sold at Costerfield during December due to the timing of shipments, resulting in 14,913 ounces of gold equivalent sold in Q4. Sales and cash receipts for higher-than-average stock on hand at the end of the year will be recognized in Q1 2023.

"We are expecting annual production at Costerfield in 2023 of 56,000 – 64,000 gold equivalent ounces, consistent with the production rate achieved in Q4 of 2022.

"At Björkdal, we were pleased with its consistent rate of production as compared to the previous quarter, with 10,256 gold ounces produced. However, full year 2022 operating results were below expectations. This was mainly due to lower underground grades due to increased dilution, coupled

with higher utilization of the lower grade stockpile material at the mill because of the reduced haulage rates from COVID absenteeism.

“We expect a higher annual production in 2023 of 49,000 – 54,000 gold ounces at Björkdal as we continue the work around implementing incremental improvements on dilution controls and better contingencies regarding staffing protocols. Additionally, we will also begin developing in several higher-grade areas of the Eastern Deeps Central zone.

“In 2023, we anticipate consolidated production of 105,000 – 118,000 ounces of gold equivalent at an expected cash cost of \$800 – \$975 and an all-in sustaining cost of \$1,150 – \$1,325. The Company will strive to further unlock shareholder value through exploration with anticipated expenditures of \$10 – \$14 million. The focus of the programs will be on expanding the Mineral Reserves and Resources at Costerfield in addition to testing new targets at both operations.”

Saleable Production for the Quarter Ended December 31, 2022:

- In the fourth quarter of 2022, the Company produced a total of 22,341 ounces of gold and 504 tonnes of antimony representing a total of 25,683 ounces of gold equivalent, versus 25,596 ounces of gold, 830 tonnes of antimony and 50,556 ounces of silver in the fourth quarter of 2021, representing a total of 32,362 ounces of gold equivalent.
- Production at Björkdal was 10,256 ounces of gold in the fourth quarter of 2022 as compared to 11,190 ounces of gold in the fourth quarter of 2021.
- Production at Costerfield was 12,085 ounces of gold and 504 tonnes of antimony in the fourth quarter of 2022 versus 13,397 ounces gold and 830 tonnes antimony in the fourth quarter of 2021.

Saleable Production for the Year Ended December 31, 2022:

- The Company produced a total of 89,134 ounces gold and 2,292 tonnes antimony, representing a total of 105,906 ounces of gold equivalent production, versus 98,292 ounces gold, 3,380 tonnes of antimony and 266,596 ounces of silver, representing a total of 123,002 ounces of gold equivalent in 2021.
- Production at Björkdal was 41,247 ounces gold.
- Production at Costerfield was 47,887 ounces gold and 2,292 tonnes antimony.

Table 1 – Fourth Quarter and Full-Year Saleable Production for 2022 and 2021

Metal	Source	Three months ended December 31 2022	Three months ended December 31 2021	Year ended December 31 2022	Year ended December 31 2021
Gold (oz)	Björkdal	10,256	11,190	41,247	45,236
	Costerfield	12,085	13,397	47,887	47,753
	Cerro Bayo	-	1,009	-	5,303
	Total	22,341	25,596	89,134	98,292
Antimony (t)	Costerfield	504	830	2,292	3,380
Silver (oz)	Cerro Bayo	-	50,556	-	266,596
Average quarterly prices:					
Gold US\$/oz		1,730	1,796		
Antimony US\$/t		11,473	13,221		
Total Gold Eq. (oz)⁽¹⁾					
	Björkdal	10,256	11,190	41,247	45,236
	Costerfield	15,427	19,507	64,659	68,729
	Cerro Bayo	-	1,665	-	9,037
	Total	25,683	32,362	105,906	123,002

1. Quarterly gold equivalent ounces ("Gold 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 Quarter Ended December 31, 2022:

- In the fourth quarter of 2022, the Company sold a total of 21,272 ounces of gold and 484 tonnes of antimony, representing a total of 24,482 ounces of gold equivalent, versus 28,570 ounces of gold, 1,334 tonnes of antimony and 39,614 ounces of silver, representing a total of 38,904 ounces of gold equivalent in 2021.
- Björkdal sold 9,569 ounces of gold in the fourth quarter of 2022 versus 10,749 ounces of gold in the fourth quarter of 2021.
- Costerfield sold 11,703 ounces of gold and 484 tonnes of antimony in the fourth quarter of 2022 versus 17,057 ounces of gold and 1,334 tonnes of antimony in the fourth quarter of 2021.

Sales for the Year Ended December 31, 2022:

- The Company sold 89,117 ounces gold and 2,316 tonnes antimony, representing a total of 106,094 ounces of gold equivalent, versus 100,203 ounces gold, 3,627 tonnes antimony and 217,034 ounces of silver, representing a total of 126,241 ounces of gold equivalent in 2021.
- Björkdal sold 40,680 ounces gold.
- Costerfield sold 48,437 ounces gold and 2,316 tonnes antimony.

Table 2 – Fourth Quarter and Full-Year Sales for 2022 and 2021

Metal	Source	Three months ended December 31 2022	Three months ended December 31 2021	Year ended December 31 2022	Year ended December 31 2021
Gold (oz)	Björkdal	9,569	10,749	40,680	46,254
	Costerfield	11,703	17,057	48,437	49,585
	Cerro Bayo	-	764	-	4,364
	Total	21,272	28,570	89,117	100,203
Antimony (t)	Costerfield	484	1,334	2,316	3,627
Silver (oz)	Cerro Bayo	-	39,614	-	217,034
Average quarterly prices:					
Gold US\$/oz		1,730	1,796		
Antimony US\$/t		11,473	13,221		
Total Gold Eq. (oz)¹					
	Björkdal	9,569	10,749	40,680	46,254
	Costerfield	14,913	26,877	65,414	72,598
	Cerro Bayo	-	1,278	-	7,389
	Total	24,482	38,904	106,094	126,241

1. Quarterly Gold Eq. (oz) sold is calculated by multiplying the saleable quantities of Au, Ag 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.

Mandalay 2023 Guidance:

Table 3 – 2023 Production and Cost Guidance

	2023E
Björkdal	
Gold produced (oz)	49,000 – 54,000
Cash cost ⁽¹⁾ per oz gold produced	\$975 – \$1,125
All-in sustaining cost ⁽¹⁾ per oz gold produced	\$1,325 – \$1,475
Capital expenditures	\$24M – \$28M
Costerfield	
Gold produced (oz)	44,000 – 49,000
Antimony produced (t)	1,800 – 2,400
Gold equivalent produced ⁽²⁾ (oz)	56,000 – 64,000
Cash cost ⁽¹⁾ per oz gold eq. produced	\$650 – \$825
All-in sustaining cost ⁽¹⁾ per oz gold eq. produced	\$925 – \$1,075
Capital expenditures	\$20M – \$24M
Consolidated	
Gold equivalent ⁽²⁾ produced (oz)	105,000 – 118,000
Average cash cost per oz gold eq.	\$800 – \$975
Average all-in sustaining cost ⁽³⁾ per oz gold eq.	\$1,150 – \$1,325
Capital expenditures	\$44M – \$52M

1. Cash cost and all-in sustaining costs are non-IFRS measures. See "Non-IFRS Measures" at the end of this press release
2. Assumes average metal prices of: Au \$1,797/oz, Sb \$10,805/t
3. Consolidated all-in sustaining costs per Au Eq. oz includes corporate overhead spending.

Mandalay's 2023 production guidance is based on:

- Foreign exchange assumptions:
 - Average 2022 rates: AUD/USD 0.695 and USD/SEK 10.12
 - Guidance 2023 rates: AUD/USD 0.675 and USD/SEK 10.39
- Capital expenditures at Costerfield and Björkdal to be carried out at the tailings storage facilities of \$6M – \$8M.
- Capital exploration expenditures of:
 - Björkdal: \$3M – \$5M
 - Costerfield: \$7M – \$9M

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, including statements regarding the Company's expected production of gold and antimony and costs for the 2023 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 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.