



Mandalay Resources Announces Production and Sales Results for the Third Quarter of 2023

TORONTO, ON, October 13, 2023 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announces today its production and sales results for the third quarter of 2023. The Company forecasts finishing 2023 on the low end of its previously disclosed production guidance range of 88,000 – 100,000 gold equivalent ounces.

Third Quarter Production Highlights:

- Consolidated saleable gold equivalent production of 22,032 ounces; and
- Consolidated saleable gold equivalent sold of 20,568 ounces.

Frazer Bouchier, President and CEO, commented:

"During the third quarter of 2023, our operations performed in-line with previous quarters. Costerfield is expecting stronger production in the final quarter to achieve our year-end guidance based on planned mining of higher-grade areas. On a consolidated basis, the Company produced 22,032 and 62,868 saleable gold equivalent ounces during Q3 2023 and the first nine months of this year, respectively. Notably, Björkdal continues to show improvements and achieved its highest quarterly rate since Q1 2022. At Costerfield, processing of higher grade ore was delayed during the quarter due to both slower stope progression and lower mill throughput."

Ryan Austerberry, COO, commented:

"Björkdal produced 11,224 saleable gold ounces in Q3 2023. We are seeing encouraging signs of stable stoping tonnes from the underground and improved grades as we start to process material from the higher-grade Eastern Extension zone. We are looking towards building upon this success and will continue to focus on mining from the Eastern Extension while concentrating less on areas that are of lower grade. Over the last quarter of 2023 and into 2024, we are anticipating higher grades due to the steady ramp-up of the Eastern Extension zone's tonnage contribution to the overall mill feed.

"Costerfield produced 10,808 saleable gold equivalent ounces in Q3 2023, as it encountered a few challenges leading to deficits in both milled tonnes and underground gold grades. As we progress more of our production fronts into Shepherd, the processing plant was temporarily challenged with the hardness of the ore encountered transitioning into this zone. We are actively re-configuring the circuit to optimize the throughput to get back to mill plan. The lower grades can be attributed primarily to a delay in production of high grade stopes in Youle, which we expect to mine in the future. Although a month later than planned, the replacement loader for the gear lost earlier in the year due to a fire was commissioned in the quarter. We do expect to finish the year strongly, with a third successive quarter-over-quarter improvement."

Mr. Bouchier concluded, "In my first two quarters as CEO, we shifted to continuously monitoring key metrics to better manage challenges and mitigate operational risks. The Company remains focused on establishing a sustainable track record of operational results, further ramping up organic

exploration spend and capitalizing on any opportunities to underpin future success and growth moving forward.”

Saleable Production for the Quarter Ended September 30, 2023:

- In the third quarter of 2023, the Company produced a total of 19,601 ounces of gold and 395 tonnes of antimony representing a total of 22,032 ounces of gold equivalent, versus 22,817 ounces of gold and 582 tonnes of antimony in the third quarter of 2022, representing a total of 27,287 ounces of gold equivalent.
- Production at Björkdal was 11,224 ounces of gold in the third quarter of 2023 versus 10,291 ounces of gold in the third quarter of 2022.
- Production at Costerfield was 8,377 ounces of gold and 395 tonnes of antimony in the third quarter of 2023 versus 12,526 ounces gold and 582 tonnes antimony in the third quarter of 2022.

Saleable Production for the Nine Months Ended September 30, 2023:

- The Company produced a total of 53,631 ounces gold and 1,456 tonnes antimony, representing a total of 62,868 ounces of gold equivalent production, versus 66,793 ounces gold and 1,788 tonnes of antimony in the corresponding nine months of 2022, representing a total of 80,223 ounces of gold equivalent.
- Production at Björkdal was 30,590 ounces gold.
- Production at Costerfield was 23,041 ounces gold and 1,456 tonnes antimony.

Table 1 – Third Quarter and Nine Months Saleable Production for 2023 and 2022

Metal	Source	Three months ended September 30 2023	Three months ended September 30 2022	Nine months ended September 30 2023	Nine months ended September 30 2022
Gold (oz)	Björkdal	11,224	10,291	30,590	30,991
	Costerfield	8,377	12,526	23,041	35,802
	Total	19,601	22,817	53,631	66,793
Antimony (t)	Costerfield	395	582	1,456	1,788
Gold US\$/oz		1,928	1,730		
Antimony US\$/t		11,865	13,286		
Total Gold Eq. (oz)⁽¹⁾					
	Björkdal	11,224	10,291	30,590	30,991
	Costerfield	10,808	16,996	32,278	49,232
	Total	22,032	27,287	62,868	80,223

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

Sales for the Quarter Ended September 30, 2023:

- In the third quarter of 2023, the Company sold a total of 18,106 ounces of gold and 400 tonnes of antimony, representing a total of 20,568 ounces of gold equivalent, versus 22,273 ounces of gold and 557 tonnes of antimony in the third quarter of 2022, representing a total of 26,551 ounces of gold equivalent.
- Björkdal sold 10,751 ounces of gold in the third quarter of 2023 versus 10,001 ounces of gold in the third quarter of 2022.
- Costerfield sold 7,355 ounces of gold and 400 tonnes of antimony in the third quarter of 2023 versus 12,272 ounces of gold and 557 tonnes of antimony in the third quarter of 2022.

Sales for the Nine Months Ended September 30, 2023:

- The Company sold 53,326 ounces gold and 1,455 tonnes antimony, representing a total of 62,566 ounces of gold equivalent, versus 67,845 ounces gold and 1,832 tonnes antimony in the first nine months of 2022, representing a total of 81,612 ounces of gold equivalent.
- Björkdal sold 30,211 ounces gold.
- Costerfield sold 23,115 ounces gold and 1,455 tonnes antimony.

Table 2 – Third Quarter and Nine Months Sales for 2023 and 2022

Metal	Source	Three months ended September 30 2023	Three months ended September 30 2022	Nine months ended September 30 2023	Nine months ended September 30 2022
Gold (oz)	Björkdal	10,751	10,001	30,211	31,111
	Costerfield	7,355	12,272	23,115	36,734
	Total	18,106	22,273	53,326	67,845
Antimony (t)	Costerfield	400	557	1,455	1,832
Gold US\$/oz		1,928	1,730		
Antimony US\$/t		11,865	13,286		
Total Gold Eq. (oz)¹					
	Björkdal	10,751	10,001	30,211	31,111
	Costerfield	9,817	16,550	32,355	50,501
	Total	20,568	26,551	62,566	81,612

1. Quarterly Gold 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 price 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). 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, 2023, 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.