



Mandalay Resources Corporation Announces Commencement of On Vein Development on the Youle Lode

TORONTO, ON, September 12, 2019 – Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to announce that the first access drive has been completed at the Youle lode with level development now commenced.

Dominic Duffy, President and CEO of Mandalay, commented, "We are extremely pleased with the team's execution in accessing Youle on the 957 level safely and sooner than originally planned. Furthermore, on vein development was initiated on the lode, and we will begin processing ore during September. We foresee the first stope being mined late in the fourth quarter of this year."

Mr. Duffy continued, "Initial assays have been as expected with the most significant being 118 g/t gold and 55.3% antimony over a true width of 0.2 metres."

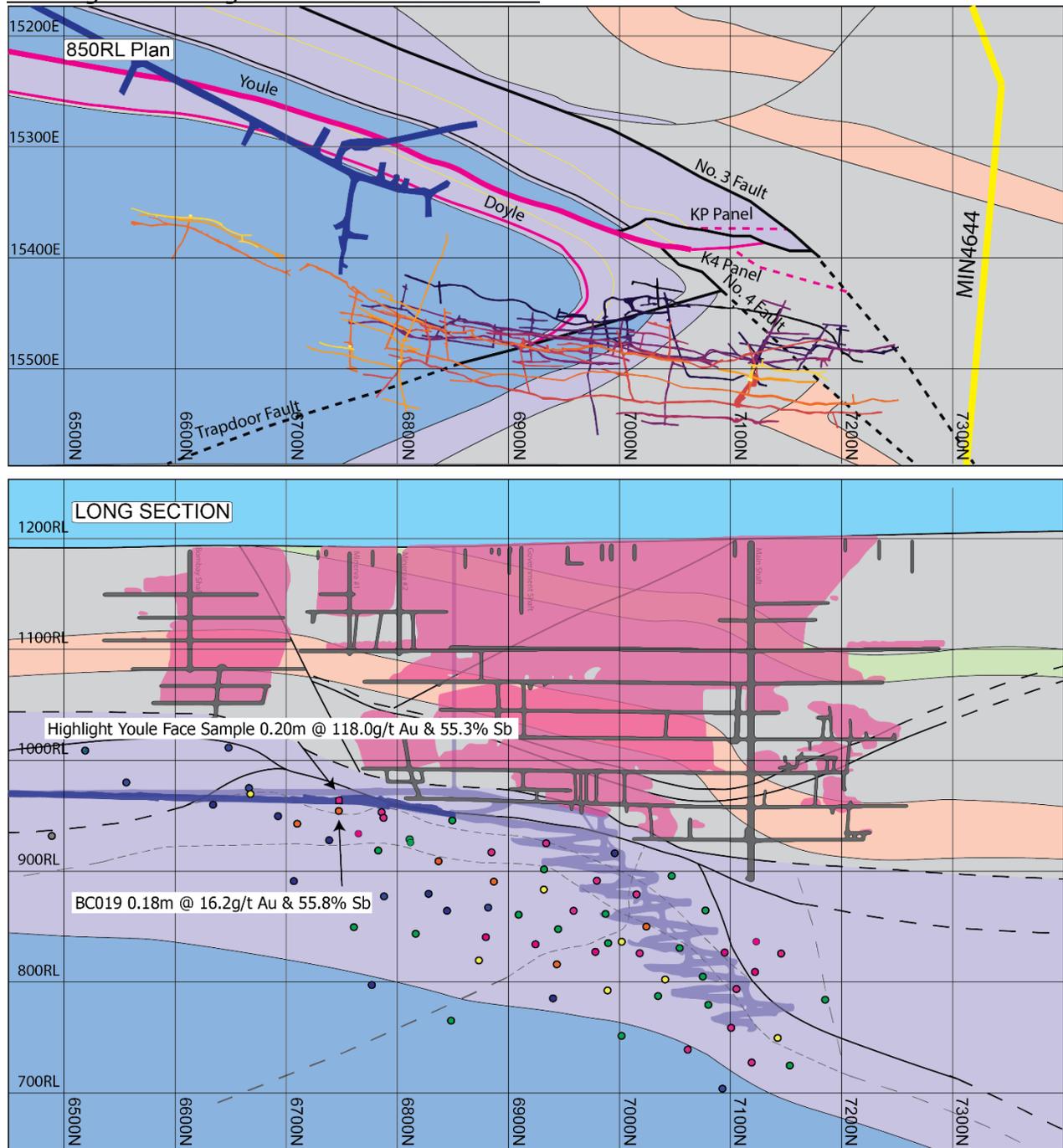
Mr. Duffy continued, "We were able to access the Youle lode sooner though design changes allowing the access drive to begin higher up the primary access ramp. With the orebody accessed, development and stoping will be ramping up and we expect a continual uplift in Youle production over the next 12 months."

Mr. Duffy concluded, "On the exploration side, due to the late start to our drilling programs in 2019, assays have been delayed on key exploration holes although we will be providing an update on all of our drilling programs by the end of September."

Table 1: Initial Youle Vein Grades

Vein Sampled	Sampled Date	Intercept Easting (Mine Grid)	Intercept Northing (Mine Grid)	Intercept Elevation (Mine Grid)	True Width (m)	Au Grade (g/t)	Sb Grade (%)
Main Vein North Wall	2/9/2019	15413	6751	960	0.15	78.1	59.5
Main Vein North Wall Duplicate	2/9/2019	15413	6751	960	0.15	36.9	60.3
Main Vein North Wall Duplicate	2/9/2019	15413	6751	960	0.15	49.1	60.9
Main Vein South Wall	2/9/2019	15413	6747	960	0.20	64.8	37.1
Main Vein North Wall Duplicate	2/9/2019	15413	6747	960	0.20	118.0	55.3
Main Vein North Wall Duplicate	2/9/2019	15413	6747	960	0.20	55.3	49.2
Splay Vein North Wall	28/8/2019	15409	6751	960	0.11	14.0	31.4
Splay Vein South Wall	28/8/2019	15408	6747	960	0.08	24.0	19.2

Figure 1: Longitudinal Section and Plan Section of Youle and Historic Costerfield Workings Illustrating location of First Youle Ore




MANDALAY RESOURCES
 Costerfield Operations
 Youle Lode
 September 2019

Mine Workings

-  Historic Workings
-  Current Workings

Lode Sampling

- Hole ID
-  Au (ppm)
 -  Sb (wt%)
 -  True Thickness (m)
 -  Offsection (West)
 -  Offsection (East)
- Note 1: Grades are diluted to 1.8m minimum mining width
 Note 2: True widths may vary from those used in resource estimation
-  >20g/t AuEq
 -  10.5g/t - 20g/t AuEq
 -  7.5g/t - 10.5g/t AuEq
 -  1.5g/t - 7.5g/t AuEq
 -  <1.5g/t AuEq

Lithology

-  Upper Costerfield formation
-  Lower Costerfield formation
-  Upper siltstone unit
-  Augusta beds
-  Lower siltstone unit
-  Siliciclastic unit
-  Quartzite unit
-  Calcareous mudstone

Figure 2: Youle Lode Face at the North Access, 957 Level



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 and Sweden, and care and maintenance and development projects in Chile. The Company is focused on growing production at its gold and antimony operation in Australia, and gold production from its operation in Sweden to generate near term cash flow.

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 Youle deposit (Costerfield) and the Aurora Zone (Björkdal). 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 28, 2019, 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.