



Mandalay Resources Corporation Announces Production and Sales Results for the First Quarter 2018

TORONTO, ON, April 12, 2018 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) announced today its production and sales results for the first quarter of 2018.

In the first quarter of 2018, Mandalay produced a consolidated 23,172 saleable ounces of gold equivalent and sold 29,151 ounces of gold equivalent.

Mark Sander, President and Chief Executive Officer of Mandalay, commented, "Mandalay's production and sales results for the first quarter of 2018 place us firmly on track to reach our 2018 production guidance of 101,000 to 113,000 gold equivalent ounces."

Dr. Sander continued, "Björkdal produced 12,716 ounces of gold in the first quarter of 2018, about 20% higher than the comparative year-ago quarter. Also in the current quarter, Björkdal recorded the second highest sales under Mandalay ownership at 17,677 gold ounces. This occurred as inventory from the record fourth quarter 2017 production was sold. Follow-on revenue due to the high sales volume in the first quarter will strengthen our cash position."

Dr. Sander concluded, "Costerfield produced 10,456 gold equivalent ounces in the first quarter of 2018. First quarter production was comparatively lower than in the previous year quarter due to expected lower mining grades. We are on track with respect to the capital development program, announced in November 2017, to reach the Brunswick Lode, which we expect will open up additional production fronts and extend mine life. Simultaneously, we are aggressively continuing infill and extensional drilling in the recently announced Youle vein target, for which we released some very encouraging high-grade intercepts earlier this April (see Mandalay April 3, 2018 press release)."

Saleable production for the three months ended March 31, 2018:

- The Company produced a total of 19,303 ounces of gold and 605 tonnes of antimony, representing a total of 23,172 ounces of gold equivalent in the first quarter of 2018, versus 21,370 ounces of gold, 741 tonnes of antimony and 435,076 ounces of silver, representing a total of 32,481 ounces of gold equivalent in the first quarter of 2017 when Cerro Bayo was operating.
- The Björkdal mine (Sweden) produced 12,716 ounces of gold in the first quarter of 2018, as compared to 10,648 ounces of gold in the first quarter of 2017.
- The Costerfield mine (Australia) produced 6,587 ounces of gold and 605 tonnes of antimony in the first quarter of 2018, versus 7,987 ounces of gold and 741 tonnes of antimony in the first quarter of 2017.

- The Cerro Bayo mine (Chile) produced no metal in the first quarter of 2018 because it remains on care and maintenance due to the inundation event of June 2017. By comparison, in the previous year first quarter, it produced 435,076 ounces of silver and 2,735 ounces of gold.

Table 1 – Saleable Production for the First Quarter 2018 and 2017, and Fourth Quarter 2017

Metal	Source	Three months ended 31 March 2018	Three months ended 31 March 2017	Three months ended 31 December 2017
Gold (oz)	Björkdal	12,716	10,648	22,035
	Costerfield	6,587	7,987	7,222
	Cerro Bayo	-	2,735	-
	Total	19,303	21,370	29,257
Antimony (t)	Costerfield	605	741	805
Silver (oz)	Cerro Bayo	-	435,076	-
Average quarterly prices:				
Gold US\$/oz		1,329	1,217	1,275
Antimony US\$/t		8,499	8,058	8,137
Silver US\$/oz		16.77	17.36	16.71
Au Eq. (oz) ¹	Björkdal	12,716	10,648	22,035
	Costerfield	10,456	12,891	12,360
	Cerro Bayo	-	8,942	-
	Total	23,172	32,481	34,395

¹ Quarterly gold equivalent ounces ("Au 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 three 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 price in the period is 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; average Ag price in the period is calculated as the average of the daily London Broker's silver spot price for all days in the period, with price on weekend days and holidays taken from the last business day. The source for all prices is www.metalbulletin.com.

Sales for the three months ended March 31, 2018:

- The Company sold 24,808 ounces of gold and 679 tonnes of antimony, representing a total of 29,151 ounces of gold equivalent in the first quarter of 2018, versus 23,668 ounces of gold, 708 tonnes of antimony, and 451,777 ounces of silver, representing a total of 34,801 ounces of gold equivalent in the first quarter of 2017 when Cerro Bayo was operating.
- Björkdal sold 17,677 ounces of gold in the first quarter of 2018, versus 13,121 ounces of gold in the first quarter of 2017.
- Costerfield sold 7,131 ounces of gold and 679 tonnes of antimony in the first quarter of 2018, versus 7,547 ounces of gold and 708 tonnes of antimony in the first quarter of 2017.
- Cerro Bayo sold nothing in the first quarter of 2018, as production has been suspended since June 2017.

Table 2 – Sales for the First Quarter 2018 and 2017, and Fourth Quarter 2017

Metal	Source	Three months ended 31 March 2018	Three months ended 31 March 2017	Three months ended 31 December 2017
Gold (oz)	Björkdal	17,677	13,121	18,565
	Costerfield	7,131	7,547	6,337
	Cerro Bayo	-	3,000	142
	Total	24,808	23,668	25,044
Antimony (t)	Costerfield	679	708	668
Silver (oz)	Cerro Bayo	-	451,777	18,334
Average quarterly prices:				
Gold US\$/oz		1,329	1,217	1,275
Antimony US\$/t		8,499	8,058	8,137
Silver US\$/oz		16.77	17.36	16.71
Au Eq. (oz) ¹	Björkdal	17,677	13,121	18,565
	Costerfield	11,474	12,235	10,599
	Cerro Bayo	-	9,445	383
	Total	29,151	34,801	29,547

¹Quarterly Au 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 three 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 all prices is www.metalbulletin.com with price on weekend days and holidays taken of the last business day.

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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 executing a roll-up strategy, creating critical mass by aggregating advanced or in production gold, copper, silver and antimony projects in Australia, the Americas and Europe to generate near-term cash flow and shareholder value.

Forward-Looking Statements:

This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the Company's production of gold, silver and antimony for the 2018 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 29, 2018, 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.