



Mandalay Resources Corporation Announces Production and Sales Results for the First Quarter of 2020

TORONTO, ON, April 13, 2020 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced today its production and sales results for the first quarter of 2020.

In the first quarter of 2020, Mandalay produced a consolidated 25,677 saleable ounces of gold equivalent and sold 24,276 ounces of gold equivalent.

Dominic Duffy, President and Chief Executive Officer of Mandalay, commented, "The first quarter of 2020 showed a significant increase in both gold and antimony production as production from the high-grade Youle vein at Costerfield began to ramp up. Gold and antimony production increased 36% and 62%, respectively, compared to the fourth quarter of 2019."

Mr. Duffy continued, "The significant increase in production was driven by the excellent results from Costerfield. The site produced 14,927 saleable gold equivalent ounces, which marks the highest level of production achieved since the second quarter of 2016. Included within this production was a record 1,108 tonnes of saleable antimony, which is the highest quarterly antimony production the site has ever produced. We are excited with the realized outcomes from the Youle vein as the mill processed an average head grade of 12.6 g/t and 5.4% of gold and antimony, respectively, over the quarter. These are considerable improvements versus the 2019 full year averages of 5.1 g/t gold and 2.5% antimony. We expect these production rates at Costerfield to be sustained as the Youle vein becomes the more prominent source of ore feed over the remainder of the 2020."

Mr. Duffy continued, "At Björkdal, first quarter production was in line with the previous quarter, although lower than forecast. This was due to a change out of our major underground haulage contractor, which negatively impacted underground production rates in January and February. With this transition completed we expect to be able to maintain budgeted production rates going forward for 2020. During the quarter we initiated the first production stope in the Aurora zone and saw positive results when the material was processed. We expect the Aurora zone to increase production for the remainder of 2020."

Mr. Duffy concluded, "These excellent first quarter production and sales results represent a strong start to 2020 for Mandalay. While we currently expect this strong operating performance to continue, the COVID-19 pandemic creates potentially significant uncertainties and difficulties for everyone, and Mandalay is no exception. For now, we are maintaining our existing 2020 production guidance, but we continue to closely monitor the situation in both Australia and Sweden and will make adjustments, if necessary. We are continuing to manage the risks resulting from COVID-19 with the controls as outlined in our March 20, 2020 press release. Business continuity plans are in place with site-specific contingency considerations, should they be needed."

Saleable Production For The Quarter Ended March 31, 2020:

- In the first quarter of 2020, the Company produced a total of 21,370 ounces of gold and 1,108 tonnes of antimony, representing a total of 25,677 ounces of gold equivalent, versus 18,490 ounces of gold and 575 tonnes of antimony in the first quarter of 2019, representing a total of 21,940 ounces of gold equivalent.
- Production at Björkdal was 10,750 ounces of gold in the first quarter of 2020, as compared to 14,385 ounces of gold in the first quarter of 2019.
- Production at Costerfield was 10,620 ounces of gold and 1,108 tonnes of antimony in the first quarter of 2020, versus 4,105 ounces gold and 575 tonnes antimony in the first quarter of 2019.

Table 1 – First Quarter Saleable Production for 2020 and 2019, and Fourth Quarter of 2019

Metal	Source	Three months ended March 31 2020	Three months ended March 31 2019	Three months ended December 31 2019
Gold (oz)	Björkdal	10,750	14,385	10,990
	Costerfield	10,620	4,105	4,749
	Total	21,370	18,490	15,739
Antimony (t)	Costerfield	1,108	575	684
Average quarterly prices:				
Gold US\$/oz		1,582	1,303	1,482
Antimony US\$/t		6,152	7,817	6,187
Au Eq. (oz) ⁽¹⁾	Björkdal	10,750	14,385	10,990
	Costerfield	14,927	7,555	7,604
	Total	25,677	21,940	18,594

1. Quarterly gold equivalent ounces ("Au 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 two 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. The source for all prices is www.metalbulletin.com.

Sales For The First Quarter Ended March 31, 2020:

- In the first quarter of 2020, the Company sold a total of 20,932 ounces of gold and 860 tonnes of antimony, representing a total of 24,276 ounces of gold equivalent, versus 19,857 ounces of gold and 525 tonnes of antimony in the first quarter of 2019, representing a total of 23,007 ounces of gold equivalent.
- Björkdal sold 11,765 ounces of gold in the first quarter of 2020, versus 15,778 ounces of gold in the first quarter of 2019.
- Costerfield sold 9,167 ounces of gold and 860 tonnes of antimony in the first quarter of 2020, versus 4,079 ounces of gold and 525 tonnes of antimony in the first quarter of 2019.

Table 2 – First Quarter Sales for 2020 and 2019, and Fourth Quarter of 2019

Metal	Source	Three months ended March 31 2020	Three months ended March 31 2019	Three months ended December 31 2019
Gold (oz)	Björkdal	11,765	15,778	9,120
	Costerfield	9,167	4,079	4,332
	Total	20,932	19,857	13,452
Antimony (t)	Costerfield	860	525	665
Average quarterly prices:				
Gold US\$/oz		1,582	1,303	1,482
Antimony US\$/t		6,152	7,817	6,187
Au Eq. (oz) ¹	Björkdal	11,765	15,778	9,120
	Costerfield	12,511	7,229	7,108
	Total	24,276	23,007	16,228

1. Quarterly Au 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 two 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.

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 Company's production of gold and antimony for the 2020 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 30, 2020, 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.