



Mandalay Resources Corporation Announces Production and Sales Results for the First Quarter of 2019

TORONTO, ON, April 10, 2019 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced today its production and sales results for the first quarter of 2019.

In the first quarter of 2019, Mandalay produced 21,940 saleable ounces of gold equivalent and sold 23,007 ounces of gold equivalent.

Dominic Duffy, President and Chief Executive Officer of Mandalay, commented, "Mandalay's consolidated production was a significant improvement on recent quarters, due in large part to a strong quarter at Björkdal, where trucking and haulage of higher-grade underground material returned to expected levels following the arrival of the entire underground haulage fleet. Björkdal was also positively impacted by the mining of higher-grade underground ore, which is the successful result of our geology team's primary focus of identifying higher-grade ore sources. We expect the higher production levels at Björkdal to remain stable for the remainder of 2019."

Mr. Duffy continued, "While the production was lower at Costerfield compared to the previous quarter, the operation continued with its capital development towards the high-grade Youle lode, scheduled to be producing by year-end. Production was also ramping up on the Brunswick lode, which will be the primary source of Costerfield production over 2019."

Mr. Duffy concluded, "We view the first quarter as an excellent start to 2019. Our performance during the quarter marks the second consecutive quarter of operational improvement, as consolidated production and sales increased by approximately 15% and 25%, respectively, in the first quarter of 2019 versus the fourth quarter of 2018. The major areas of focus over the remainder of 2019 are to advance capital development to the Youle lode at Costerfield and to continue developing operational improvements at Björkdal to lift the processed grade higher. We will also restart our exploration program in the second quarter of 2019, which includes deeper exploration drilling at Costerfield and step-out drilling around the Aurora zone at Björkdal."

Saleable production for the three months ended March 31, 2019:

- In the first quarter of 2019, the Company produced a total of 18,490 ounces of gold and 575 tonnes of antimony, representing a total of 21,940 ounces of gold equivalent, versus 19,303 ounces of gold and 605 tonnes of antimony in the first quarter of 2018, representing a total of 23,172 ounces of gold equivalent.
- Production at Björkdal was 14,385 ounces of gold in the first quarter of 2019, as compared to 12,716 ounces of gold in the first quarter of 2018.
- Production at Costerfield was 4,105 ounces of gold and 575 tonnes of antimony in the first quarter of 2019, versus 6,587 ounces of gold and 605 tonnes of antimony in the first quarter of 2018.

Table 1 – Saleable Production for the First Quarter 2019 and 2018, and Fourth Quarter 2018

Metal	Source	Three months ended March 31 2019	Three months ended March 31 2018	Three months ended December 31 2018
Gold (oz)	Björkdal	14,385	12,716	10,482
	Costerfield	4,105	6,587	4,948
	Total	18,490	19,303	15,430
Antimony (t)	Costerfield	575	605	561
Average quarterly prices:				
Gold US\$/oz		1,303	1,329	1,229
Antimony US\$/t		7,817	8,499	8,204
Au Eq. (oz) ¹	Björkdal	14,385	12,716	10,482
	Costerfield	7,555	10,456	8,691
	Total	21,940	23,172	19,173

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 three months ended March 31, 2019:

- In the first quarter of 2019, the Company sold a total of 19,857 ounces of gold and 525 tonnes of antimony, representing a total of 23,007 ounces of gold equivalent, versus 24,808 ounces of gold and 679 tonnes of antimony in the first quarter of 2018, representing a total of 29,151 ounces of gold equivalent.
- Björkdal sold 15,778 ounces of gold in the first quarter of 2019, versus 17,677 ounces of gold in the first quarter of 2018.
- Costerfield sold 4,079 ounces of gold and 525 tonnes of antimony in the first quarter of 2019, versus 7,131 ounces of gold and 679 tonnes of antimony in the first quarter of 2018.

Table 2 – Sales for the First Quarter 2019 and 2018, and Fourth Quarter 2018

Metal	Source	Three months ended March 31 2019	Three months ended March 31 2018	Three months ended December 31 2018
Gold (oz)	Björkdal	15,778	17,677	9,557
	Costerfield	4,079	7,131	4,957
	Total	19,857	24,808	14,514
Antimony (t)	Costerfield	525	679	582
Average quarterly prices:				
Gold US\$/oz		1,303	1,329	1,229
Antimony US\$/t		7,817	8,499	8,204
Au Eq. (oz) ¹	Björkdal	15,778	17,677	9,557
	Costerfield	7,229	11,474	8,842
	Total	23,007	29,151	18,399

¹Quarterly 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 2019 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 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.