



Mandalay Resources Corporation Announces Execution of Definitive Agreement for the Sale of the Challacollo Silver-Gold Project in Chile

TORONTO, ON, November 12, 2019 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to announce that it has entered into a definitive agreement with Aftermath Silver Ltd. ("Aftermath") (TSX-V:AAG.H) in respect of the previously announced transaction in which Aftermath will acquire Minera Mandalay Challacollo Limitada ("MMC"), which currently owns the Challacollo silver-gold project located in Region I (Tarapaca) of Chile (the "Challacollo Project").

Pursuant to the terms of the transaction, Aftermath will purchase 100% of MMC in exchange for total consideration of up to CAD\$10,000,000, consisting of CAD\$7,000,000 in non-contingent consideration (the "Non-Contingent Consideration") plus a 3% net smelter returns royalty on production at the Challacollo Project, capped at CAD\$3,000,000.

The Non-Contingent Consideration is payable as follows:

- CAD\$1,000,000 in cash payable on or before November 19, 2019;
- CAD\$1,000,000 in cash payable on or before December 30, 2020; and
- CAD\$5,000,000 (the "Final Payment") payable on or before April 21, 2021.

The Final Payment will be payable, at Aftermath's option, in cash or common shares of Aftermath ("Aftermath Shares"). In addition, Aftermath may elect to defer payment of 50% of the Final Payment by one year by increasing the amount of the Final Payment by CAD\$500,000 (such that the Final Payment would consist of CAD\$2,500,000 payable on or before April 21, 2021 and CAD\$3,000,000 payable on or before April 21, 2022).

In connection with the transaction, Aftermath will also assume Mandalay's existing contingent payment and royalty obligations to SSR Mining with respect to the Challacollo Project under the terms of Mandalay's acquisition of the Challacollo Project from SSR Mining in December 2013.

Final completion of the transaction (at which time the transfer of ownership of MMC will occur) is subject to the satisfaction of certain conditions, including Mandalay's receipt of all of the Non-Contingent Consideration. Pending final completion, Aftermath will have the right to conduct certain exploration and drilling activities on the Challacollo Project. Aftermath will be conducting an exploration campaign on existing permitted drill pads as soon as possible.

Dominic Duffy, President and Chief Executive Officer of Mandalay, commented, "We are pleased to see the Aftermath transaction executed and the restart of an exploration campaign on the concession. This transaction continues Mandalay's objective of creating value from its non-operating assets, with the previously announced transactions at Cerro Bayo and the sale of non-core concessions at Challacollo to a third party, also completed in the last quarter. Mandalay is

now well positioned to focus on improving operations at Björkdal and Costerfield with these projects in Chile resolved.”

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.

About Aftermath Silver Ltd:

Aftermath Silver Ltd. is a Canadian junior exploration company engaged in acquiring, exploring, and developing mineral properties with an emphasis on silver in Chile. The Company is focused on growth through the discovery and acquisition of quality projects in stable jurisdictions. Aftermath continues to seek new opportunities to take advantage of the relatively low silver price.

Forward-Looking Statements:

This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the proposed sale of MMC to Aftermath Silver. There is no assurance that the proposed transaction will be completed on the terms set out in this press release or at all. 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.