



Mandalay Resources Corporation Announces Production and Sales Results for the Third Quarter of 2021

TORONTO, ON, October 19, 2021 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced today its production and sales results for the third quarter of 2021.

Third Quarter 2021 Production Highlights:

- Consolidated saleable gold equivalent production of 33,121 ounces – highest quarterly result since Q4 2017;
- Consolidated 29,752 ounces of gold equivalent sold – highest quarterly amount in four years;
- Costerfield's highest ever quarterly saleable gold equivalent production of 18,946 ounces; and
- Cerro Bayo produced 2,925 ounces of gold equivalent. The Company expects Cerro Bayo's overall contribution to be 9,000 – 10,000 ounces of gold equivalent by year end.

Based on year-to-date production results, Mandalay anticipates that consolidated 2021 saleable production (not including production from Cerro Bayo) will be at the higher end of the previously provided production guidance range of the 105,000 – 117,000 ounces of gold equivalent.

Dominic Duffy, President and CEO of Mandalay, commented:

"Mandalay continued to deliver strong operational results during the third quarter. The 33,121 saleable ounces of gold equivalent produced was the Company's best result since Q4 2017 and marked our fifth consecutive quarter of increased production. The consolidated 90,640 ounces of gold equivalent produced during the first nine months not only demonstrates stability in our operations, but also positions the Company to achieve the upper limits of our 2021 combined production guidance from Costerfield and Björkdal. The main reasons for this are the overperformance at Costerfield and the increased antimony price."

Mr. Duffy continued, "Costerfield achieved another outstanding quarter, producing 18,946 ounces of saleable gold equivalent – the highest in Company history. However, due to the current global logistics challenges, September's floatation concentration shipment was delayed until the start of October, resulting in a delay in the recognition of revenue from this portion of production until the fourth quarter."

"Looking forward, we will continue with the scheduled stoping of the higher-grade upper levels of the Youle deposit. We also expect to enter the Shepherd zone during the fourth quarter 2021, as the lowest level currently being developed will enter the Shepherd zone on the southern extent."

Mr. Duffy added, "At Björkdal, third quarter production of 11,250 saleable gold ounces was a slight improvement upon the previous quarter, however, it is still below the planned production rates. The positive for the quarter was that we began to see improved grades in September as the

underground operation was able to decrease the excessive dilution in key stopes. We are currently testing bolting of the upper sections of the stopes to better control the dilution and the initial results have been favorable. This adjustment along with other dilution controls being implemented should see mining grades continue to lift for the remainder of 2021.”

Mr. Duffy concluded, “Cerro Bayo continued with its processing of the low-grade mineralized waste material throughout the third quarter and produced 2,925 ounces of saleable gold equivalent. Due to economic uncertainties surrounding this process, no production guidance was provided for Cerro Bayo at the start of this year. However, with slightly higher than expected grades coupled with the support from a strong silver price, it has allowed for the project to be profitable since its initiation in March 2021. Processing will continue through to December 1, 2021, when Equus Mining will acquire ownership of the operation.”

Saleable Production for the Quarter Ended September 30, 2021:

- In the third quarter of 2021, the Company produced a total of 26,328 ounces of gold, 860 tonnes of antimony and 85,279 ounces of silver representing a total of 33,121 ounces of gold equivalent, versus 22,793 ounces of gold and 991 tonnes of antimony in the third quarter of 2020, representing a total of 25,664 ounces of gold equivalent.
- Production at Björkdal was 11,250 ounces of gold in the third quarter of 2021 as compared to 11,044 ounces of gold in the third quarter of 2020.
- Production at Costerfield was 13,315 ounces of gold and 860 tonnes of antimony in the third quarter of 2021 versus 11,749 ounces gold and 991 tonnes antimony in the third quarter of 2020.
- Production at Cerro Bayo was 1,763 ounces of gold and 85,279 ounces of silver in the third quarter of 2021 versus no production in the third quarter of 2020.

Saleable Production for the Nine Months Ended September 30, 2021:

- The Company produced a total of 72,696 ounces gold, 2,550 tonnes antimony and 216,040 ounces of silver, representing a total of 90,640 ounces of gold equivalent production, versus 65,766 ounces gold and 3,045 tonnes of antimony in the corresponding nine months of 2020, representing a total of 76,093 ounces of gold equivalent.
- Production at Björkdal was 34,046 ounces gold.
- Production at Costerfield was 34,356 ounces gold and 2,550 tonnes antimony.
- Production at Cerro Bayo was 4,294 ounces of gold and 216,040 ounces of silver.

Table 1 – Third Quarter and Nine Months Saleable Production for 2021 and 2020

Metal	Source	Three months ended September 30 2021	Three months ended September 30 2020	Nine months ended September 30 2021	Nine months ended September 30 2020
Gold (oz)	Björkdal	11,250	11,044	34,046	33,044
	Costerfield	13,315	11,749	34,356	32,722
	Cerro Bayo	1,763	-	4,294	-
	Total	26,328	22,793	72,696	65,766
Antimony (t)	Costerfield	860	991	2,550	3,045
Silver (oz)	Cerro Bayo	85,279	-	216,040	-
Average quarterly prices:					
Gold US\$/oz		1,790	1,907		
Antimony US\$/t		11,720	5,524		
Silver US\$/oz		24.38	24.00		
Total Gold Eq. (oz)⁽¹⁾					
	Björkdal	11,250	11,044	34,046	33,044
	Costerfield	18,946	14,620	49,222	43,049
	Cerro Bayo	2,925	-	7,372	-
	Total	33,121	25,664	90,640	76,093

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 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 and Ag prices in the periods are 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 Au and Ag prices is www.transamine.com, and Sb price is www.metalbulletin.com.

Sales for the Third Quarter Ended September 30, 2021:

- In the third quarter of 2021, the Company sold a total of 24,022 ounces of gold, 677 tonnes of antimony and 95,198 ounces of silver, representing a total of 29,752 ounces of gold equivalent, versus 23,000 ounces of gold and 1,036 tonnes of antimony in the third quarter of 2020, representing a total of 26,001 ounces of gold equivalent.
- Björkdal sold 11,297 ounces of gold in the third quarter of 2021 versus 11,511 ounces of gold in the third quarter of 2020.
- Costerfield sold 10,717 ounces of gold and 677 tonnes of antimony in the third quarter of 2021 versus 11,489 ounces of gold and 1,036 tonnes of antimony in the third quarter of 2020.
- Cerro Bayo sold 2,008 ounces of gold and 95,198 ounces of silver in the third quarter of 2021 versus no sales in the third quarter of 2020.

Sales for the Nine Months Ended September 30, 2021:

- The Company sold 71,769 ounces gold, 2,293 tonnes antimony and 185,222 ounces of silver, representing a total of 87,580 ounces of gold equivalent, versus 65,743 ounces gold and 2,829 tonnes antimony in the first nine months of 2020, representing a total of 75,193 ounces of gold equivalent.

- Björkdal sold 35,505 ounces gold.
- Costerfield sold 32,528 ounces gold and 2,293 tonnes antimony.
- Cerro Bayo sold 3,736 ounces gold and 185,222 ounces silver in the first nine months of 2021 versus no sales in the similar period in 2020.

Table 2 – Third Quarter and Nine Months Sales for 2021 and 2020

Metal	Source	Three months ended September 30 2021	Three months ended September 30 2020	Nine months ended September 30 2021	Nine months ended September 30 2020
Gold (oz)	Björkdal	11,297	11,511	35,505	34,566
	Costerfield	10,717	11,489	32,528	31,177
	Cerro Bayo	2,008	-	3,736	-
	Total	24,022	23,000	71,769	65,743
Antimony (t)	Costerfield	677	1,036	2,293	2,829
Silver (oz)	Cerro Bayo	95,198	-	185,222	-
Average quarterly prices:					
Gold US\$/oz		1,790	1,907		
Antimony US\$/t		11,720	5,524		
Silver US\$/oz		24.38	24.00		
Total Gold Eq. (oz)¹					
	Björkdal	11,297	11,511	35,505	34,566
	Costerfield	15,150	14,490	45,721	40,627
	Cerro Bayo	3,305	-	6,354	-
	Total	29,752	26,001	87,580	75,193

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 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 Au and Ag prices is www.transamine.com, and Sb price 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 (Costerfield gold-antimony mine) and Sweden (Björkdal gold mine), with projects in Chile and Canada under care and maintenance, closure or development status. The Company is focused on growing its production profile and reducing costs to generate significant positive cashflow.

Mandalay's mission is to create shareholder value through the profitable operation of both its Costerfield and Björkdal mines. Currently, the Company's main objective is to continue mining the high-grade Youle vein at Costerfield, which continues to supply high-grade ore, and also focus on extending Youle's Mineral Reserves at depth. At Björkdal, the Company will aim to increase production from the Aurora zone in the coming years, in order to maximize profit margins from the mine.

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, antimony and silver for the 2021 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, 2021, 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.