



Mandalay Resources Corporation Announces Production and Sales Results for the Fourth Quarter and Full-Year 2021, Provides Production and Cost Guidance for 2022

TORONTO, ON, January 13, 2022 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced today its production and sales results for the fourth quarter and full-year 2021 and provides production and cost guidance for 2022.

Fourth Quarter and Full-Year 2021 Production Highlights:

- Exceeded full-year 2021 production guidance with a consolidated saleable gold equivalent production of 123,002 ounces – highest total since 2017;
- Full-year consolidated saleable gold equivalent sold was 126,241 ounces – highest amount since 2017;
- Achieved year-over-year production growth of 19% and sales growth of 26% as compared to 2020;
- Fourth quarter consolidated 38,904 ounces of gold equivalent sold – highest quarterly amount since Q2 2016; and
- Costerfield's highest ever quarterly saleable gold equivalent production of 19,507 ounces.

Production and Cost Guidance for Full-Year 2022:

- 2022 consolidated production guidance of 118,000 – 130,000 ounces of gold equivalent produced at an expected cash cost of \$700 – \$900 and all-in sustaining cost of \$1,100 – \$1,300.

Dominic Duffy, President and CEO of Mandalay, commented:

"Mandalay Resources finished the year strongly with Costerfield achieving a historic high in quarterly saleable gold equivalent production with 19,507 ounces. On a consolidated basis, the 32,362 saleable ounces of gold equivalent produced was the Company's second highest quarterly result of 2021 and the full-year 123,002 ounces of saleable gold equivalent produced not only exceeded our 2021 guidance, but was also the Company's best result since 2017. The consecutive year-over-year improvements since 2019 clearly demonstrate the stability at Björkdal and the growing quality of our anchor asset at Costerfield.

"Stemming from shipment backlogs, a higher-than-average level of concentrate was sold at Costerfield in December resulting in 26,877 ounces of gold equivalent sold during Q4. The receipt of cash from December's shipments however will be recognized in 2022. Moreover, the full-year saleable gold equivalent production of 68,729 ounces at Costerfield represented an 18% year-over-year improvement. The Company anticipates an incremental improvement to Costerfield's production profile during 2022 as stoping ramps up at Youle and with the initiation of production from the high-gold grade deposit Shepherd.

"At Björkdal, the 11,190 ounces and 45,236 ounces of saleable gold ounces produced during the fourth quarter and full-year respectively, was in line with previous quarters and year. The site continued with its step changes aimed at reducing dilution and we expect grades to lift and stabilize at planned levels during 2022. For 2022, Björkdal will increase its stoping rates within the lower, higher grade levels of the Aurora zone and will maintain the operational goal of achieving 1.2 million tonnes of underground ore per annum.

"At Cerro Bayo, processing continued up until December 1, 2021, when the Company successfully completed the sale of the asset to Equus Mining. During September and October, the site produced 1,665 ounces of saleable gold equivalent.

"For 2022, the Company anticipates a consolidated production between 118,000 – 130,000 ounces of gold equivalent at an expected cash cost of \$700 – \$900 and all-in sustaining cost of \$1,100 – \$1,300. The Company is also looking forward to following up on the highly successful 2021 exploration campaign with an anticipated exploration spend between \$7 – \$9 million at Costerfield and between \$4 – \$5 million at Björkdal during 2022."

Saleable Production for the Quarter Ended December 31, 2021:

- In the fourth quarter of 2021, the Company produced a total of 25,596 ounces of gold, 830 tonnes of antimony and 50,556 ounces of silver representing a total of 32,362 ounces of gold equivalent, versus 24,488 ounces of gold and 858 tonnes of antimony in the fourth quarter of 2020, representing a total of 27,351 ounces of gold equivalent.
- Production at Björkdal was 11,190 ounces of gold in the fourth quarter of 2021 as compared to 12,252 ounces of gold in the fourth quarter of 2020.
- Production at Costerfield was 13,397 ounces of gold and 830 tonnes of antimony in the fourth quarter of 2021 versus 12,236 ounces gold and 858 tonnes antimony in the fourth quarter of 2020.
- Production at Cerro Bayo was 1,009 ounces of gold and 50,556 ounces of silver in the fourth quarter of 2021 versus no production in the fourth quarter of 2020.

Saleable Production for the Year Ended December 31, 2021:

- The Company produced a total of 98,292 ounces gold, 3,380 tonnes antimony and 266,596 ounces of silver, representing a total of 123,002 ounces of gold equivalent production, versus 90,254 ounces gold and 3,903 tonnes of antimony, representing a total of 103,444 ounces of gold equivalent in 2020.
- Production at Björkdal was 45,236 ounces gold.
- Production at Costerfield was 47,753 ounces gold and 3,380 tonnes antimony.
- Production at Cerro Bayo was 5,303 ounces of gold and 266,596 ounces of silver.

Table 1 – Fourth Quarter and Full-Year Saleable Production for 2021 and 2020

Metal	Source	Three months ended December 31 2021	Three months ended December 31 2020	Year ended December 31 2021	Year ended December 31 2020
Gold (oz)	Björkdal	11,190	12,252	45,236	45,296
	Costerfield	13,397	12,236	47,753	44,958
	Cerro Bayo	1,009	-	5,303	-
	Total	25,596	24,488	98,292	90,254
Antimony (t)	Costerfield	830	858	3,380	3,903
Silver (oz)	Cerro Bayo	50,556	-	266,596	-
Average quarterly prices:					
Gold US\$/oz		1,796	1,876		
Antimony US\$/t		13,221	6,260		
Silver US\$/oz		23.31	24.43		
Total Gold Eq. (oz)⁽¹⁾					
	Björkdal	11,190	12,252	45,236	45,296
	Costerfield	19,507	15,099	68,729	58,148
	Cerro Bayo	1,665	-	9,037	-
	Total	32,362	27,351	123,002	103,444

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 Quarter Ended December 31, 2021:

- In the fourth quarter of 2021, the Company sold a total of 28,570 ounces of gold, 1,334 tonnes of antimony and 39,614 ounces of silver, representing a total of 38,904 ounces of gold equivalent, versus 21,689 ounces of gold and 915 tonnes of antimony in the fourth quarter of 2020, representing a total of 24,742 ounces of gold equivalent.
- Björkdal sold 10,749 ounces of gold in the fourth quarter of 2021 versus 10,746 ounces of gold in the fourth quarter of 2020.
- Costerfield sold 17,057 ounces of gold and 1,334 tonnes of antimony in the fourth quarter of 2021 versus 10,943 ounces of gold and 915 tonnes of antimony in the fourth quarter of 2020.
- Cerro Bayo sold 764 ounces of gold and 39,614 ounces of silver in the fourth quarter of 2021 versus no sales in the fourth quarter of 2020.

Sales for the Year Ended December 31, 2021:

- The Company sold 100,203 ounces gold, 3,627 tonnes antimony and 217,034 ounces of silver, representing a total of 126,241 ounces of gold equivalent, versus 87,432 ounces gold and 3,744 tonnes antimony, representing a total of 99,935 ounces of gold equivalent in 2020.
- Björkdal sold 46,254 ounces gold.

- Costerfield sold 49,585 ounces gold and 3,627 tonnes antimony.
- Cerro Bayo sold 4,364 ounces gold and 217,034 ounces silver.

Table 2 – Fourth Quarter and Full-Year Sales for 2021 and 2020

Metal	Source	Three months ended December 31 2021	Three months ended December 31 2020	Year ended December 31 2021	Year ended December 31 2020
Gold (oz)	Björkdal	10,749	10,746	46,254	45,312
	Costerfield	17,057	10,943	49,585	42,120
	Cerro Bayo	764	-	4,364	-
	Total	28,570	21,689	100,203	87,432
Antimony (t)	Costerfield	1,334	915	3,627	3,744
Silver (oz)	Cerro Bayo	39,614	-	217,034	-
Average quarterly prices:					
Gold US\$/oz		1,796	1,876		
Antimony US\$/t		13,221	6,260		
Silver US\$/oz		23.31	24.43		
Total Gold Eq. (oz)¹					
	Björkdal	10,749	10,746	46,254	45,312
	Costerfield	26,877	13,996	72,598	54,623
	Cerro Bayo	1,278	-	7,389	-
	Total	38,904	24,742	126,241	99,935

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.

Mandalay 2022 Guidance:

Table 3 – Production and Cost Guidance For 2022

	2022E
Björkdal	
Gold produced (oz)	51,000 – 56,000
Cash cost ⁽¹⁾ per oz gold produced	\$980 – \$1,130
All-in sustaining cost ⁽¹⁾ per oz gold produced	\$1,400 – \$1,550
Capital expenditures	\$29M – \$33M
Costerfield	
Gold produced (oz)	50,000 – 55,000
Antimony produced (t)	2,100 – 2,700
Gold equivalent produced ⁽²⁾ (oz)	67,000 – 74,000
Cash cost ⁽¹⁾ per oz gold eq. produced	\$560 – \$710
All-in sustaining cost ⁽¹⁾ per oz gold eq. produced	\$830 – \$980
Capital expenditures	\$21M – \$25M
Consolidated	
Gold equivalent ⁽²⁾ produced (oz)	118,000 – 130,000
Average cash cost per oz gold eq.	\$700 – \$900
Average all-in sustaining cost ⁽³⁾ per oz gold eq.	\$1,100 – \$1,300
Capital expenditures	\$50M – \$58M

1. Cash cost and all-in sustaining costs are non-IFRS measures. See “Non-IFRS Measures” at the end of this press release

2. Assumes average metal prices of: Au \$1,750/oz, Sb \$13,000/t

3. Consolidated all-in sustaining costs per Au Eq. oz includes corporate overhead spending.

Mandalay’s 2022 production guidance is based on:

- The strengthening Australian dollar and Swedish krona relative to the US dollar and overall country cost inflation has had a negative impact on the above guidance.
 - Average 2021 rates: AUD/USD 0.751 and USD/SEK 8.58
 - Guidance 2022 rates: AUD/USD 0.730 and USD/SEK 8.79
- The expected high capital spend at Björkdal includes \$10.8M of capital works being carried out at the tailings storage facility. This project will allow for tailings capacity through to 2029.
- Capital exploration spend forecast for both sites are:
 - Björkdal: \$4M – \$5M
 - Costerfield: \$7M – \$9M

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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). The Company is focused on growing its production and reducing costs to generate significant positive cashflow. Mandalay is committed to operating safely and in an environmentally responsible manner, while developing a high level of community and employee engagement.

Mandalay's mission is to create shareholder value through the profitable operation and continuing the regional exploration program, at both its Costerfield and Björkdal mines. Currently, the Company's main objectives are to continue mining the high-grade Youle vein at Costerfield, bring online the deeper Shepherd veins, both of which will continue to supply high-grade ore to the processing plant, and to extend Youle Mineral Reserves. At Björkdal, the Company will aim to increase production from the Aurora zone and other higher-grade areas 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 expected production of gold and antimony and costs for the 2022 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.