



MANDALAY RESOURCES CORPORATION INTERSECTS 1,780 G/T GOLD OVER 0.17 M IN ITS COSTERFIELD REGIONAL DRILLING PROGRAM AT THE ROBINSON PROSPECT

The initial four holes in the 2022 Robinson program have intercepted visible gold in the immediate surrounds of the historic Robinson Mine approximately 2 km from Costerfield's operating underground infrastructure.

TORONTO, ON, June 09, 2022 – Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to provide a special update on the early success of the Robinson drilling campaign at its Costerfield Operation (Victoria, Australia).

Highlights:

Drilling has identified a potential offset to the historically producing Robinson Mine with an intercept of:

- **1,780 g/t gold over 0.17 m** (Estimated True Width "ETW" of 0.15 m) in RB007; and
- Visible gold seen in two other drill holes along trend (assays pending) and within two additional intercepts along a parallel trend beneath the historic Cochran Mine.

Notes:

1. *Due to the potentially material nature of the primary intercept, this news has been reported prior to the assay of other visually significant intercepts within the drilling program. A supplementary update will follow shortly.*
2. *Further intercept details can be found in Table 1 in the Appendix to this document.*

Dominic Duffy, President and CEO of Mandalay, commented:

"We are pleased to report the extraordinary result from the Robinson Prospect drilling campaign. These intercepts sit 2 km to the south of the Brown Prospect, which was the focus of our 2020 and 2021 eastern drilling campaign. The high-grade results look to be related to the historic Robinson Mine which historic accounts suggest, produced high-grade gold ore during the 1880s. While geological interpretation is preliminary, the intercept looks to be an offset downward continuation of the historically worked veining, a scenario which Mandalay is very familiar with. Past identification of similar kinds of offsets subsequently led to the discovery and mining of the Cuffley and Youle orebodies.

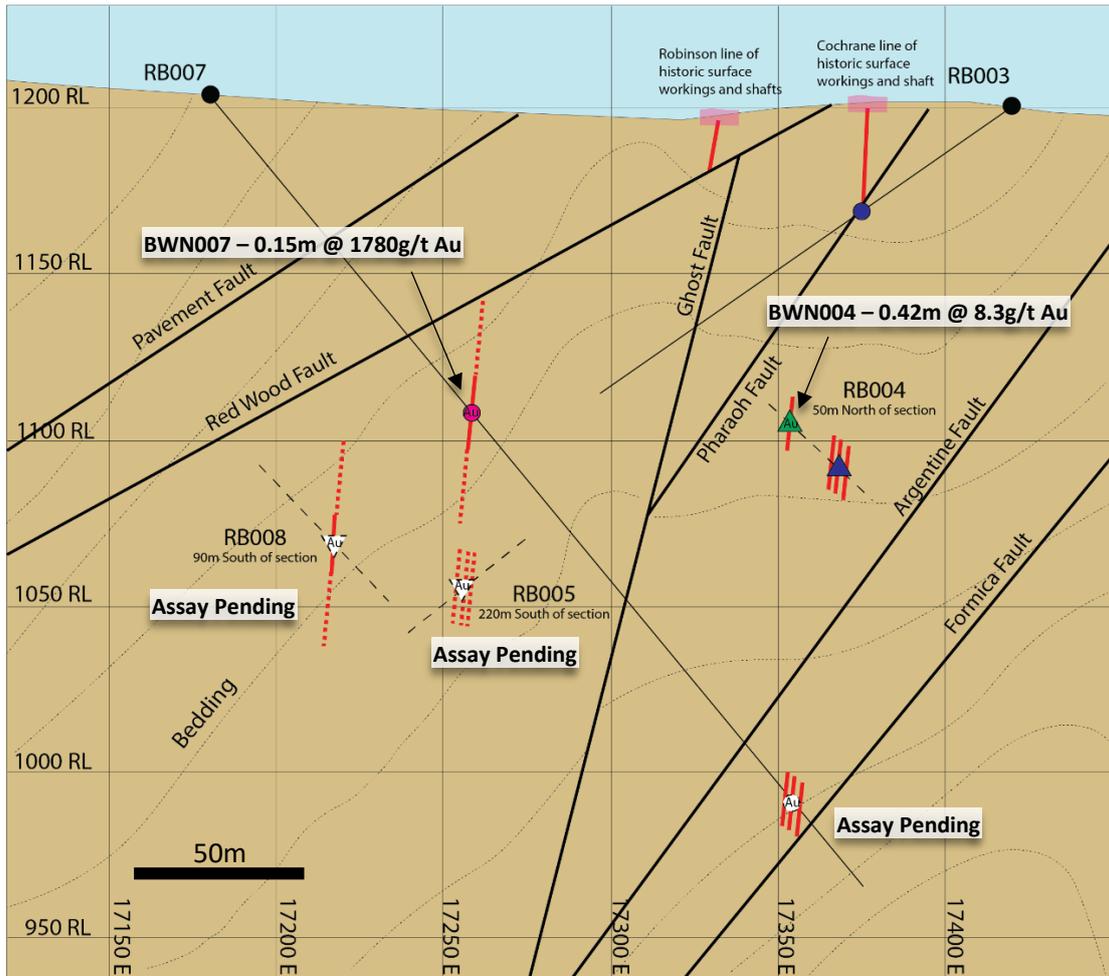
Excitingly, this intercept is accompanied by two others within RB005 and RB008 which are on trend and, although assays are still pending, similar veining is observed within each suggesting a structural continuation over approximately 250 m. Visible gold was also identified in both RB005 and RB008, but to a significantly lesser degree than RB007. Mineralization was identified in a potential parallel structure further to the east with visible gold located in a secondary intercept in RB007 and in RB004 that could align with the parallel Cochrane trend and historic mining.

The Robinson Prospect is approximately 2 km east of the underground infrastructure and is within the bounds of Mandalay's current mining licence which makes this discovery all the more

significant. This intercept is outstanding, although not a surprise as it is situated next to Costerfield which has consistently been one of the world's highest gold grade mines."

2022 Robinson drilling program

Located approximately 2 km east of the Augusta Mine site in the Costerfield State Forest, the Robinson Prospect is characterised by extensive surface workings and several shafts that were sunk on the two historically mined lodes, the Cochrane and Robinson lodes. A drilling campaign comprising three diamond drill holes was completed in 2020 to test the nature and extent of gold mineralization under the historically mined lodes. Drilling results showed the presence of gold anomalism below the Cochrane workings but failed to intercept any significant gold mineralization below the Robinson line of workings and historic infrastructures. A reassessment of drilling results from the 2020 Robinson drilling program suggested that the lack of gold anomalism below Robinson's workings in drillholes was likely caused by fault-blanking on a series of moderate to steeply dipping north-east striking shears which are interpreted to introduce a progressive westward offset in the mineral system. The 2022 program has been designed to any potential westward offset of the Robinson line of lode, as strike extensions. Four holes in this program have now been completed and the fifth in progress. Quartz veining containing visible gold has been intercepted in four holes so far. Intercepts gained to date lie predominantly to the west of the Robinson surface workings, supporting the proposed westward offset of the Robinson line of lode at depth (Figure 1).




MANDALAY RESOURCES
 Costerfield Operations
 Robinson's Prospect
 June 2022

Legend
 Surface Workings
 Underground Workings
 Mineralised Structures

Vein Sampling
 Offsection (North)
 Offsection (South)
 Note 1: Grades are diluted to 1.8m minimum mining width

 >20g/t AuEq
 10.5g/t - 20g/t AuEq
 7.5g/t - 10.5g/t AuEq
 1.5g/t - 7.5g/t AuEq
 <1.5g/t AuEq
 Assays Outstanding
 Au Visible Gold

Figure 1. Section at 5040N showing the location of surface historic workings and the location of new drilling at depth.

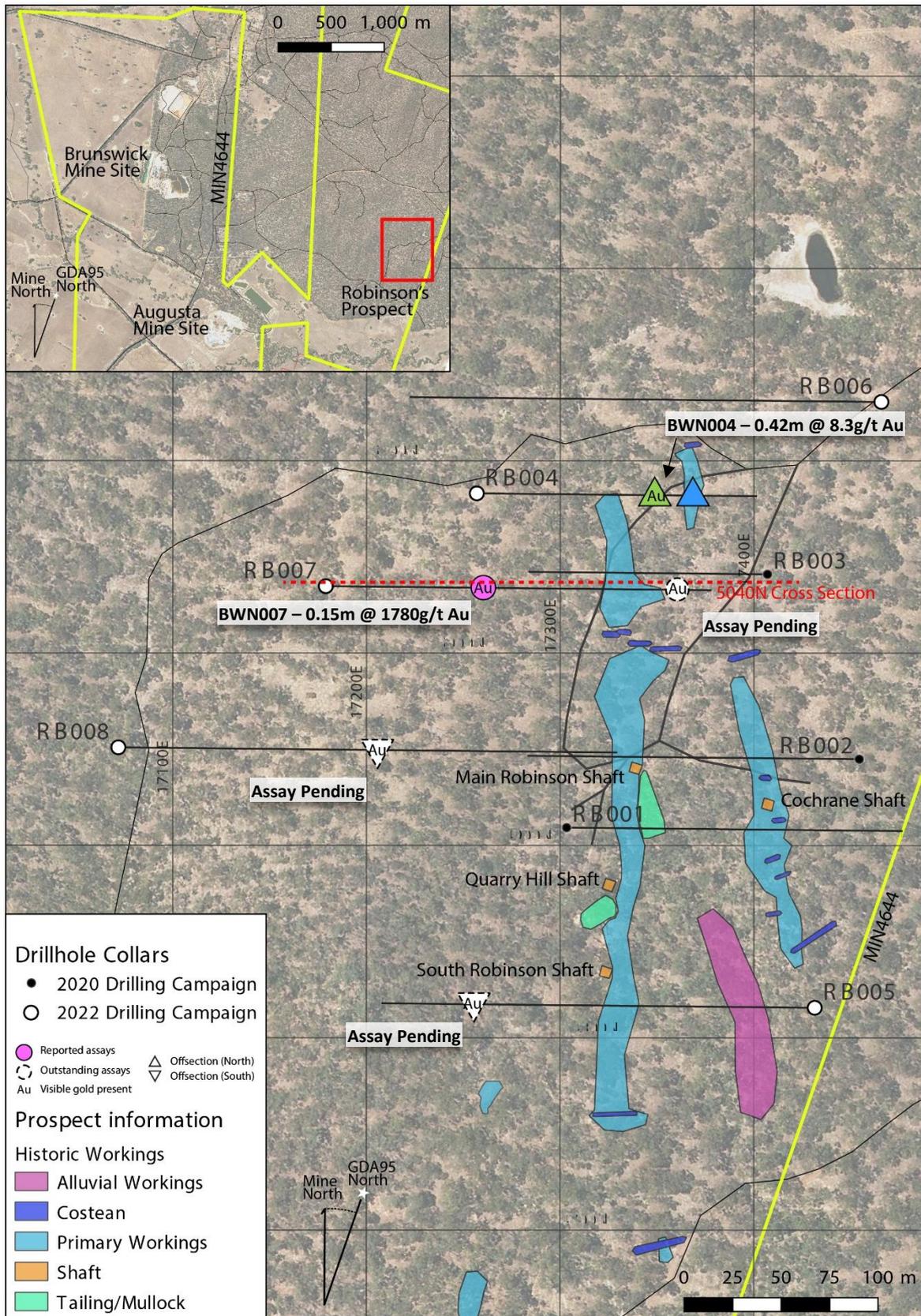


Figure 2. Surface map in local mine grid of the Robinson Prospect, showing collar locations, drillhole traces and historic workings. The inset to the top left shows the location of the Robinson's prospect relative to the Augusta and Brunswick mine sites.

The Intercepts

RB007 was drilled west to east to test the area of anomalism identified in RB005 and RB006 (described below). This drillhole successfully intercepted a 0.17 m (0.15 m ETW) gold bearing quartz breccia vein to the west of the Robinson's workings (Figure 1). The breccia is oriented sub-vertically, with a roughly north-south strike, interpreted parallel to the historic Robinson's workings. The gold is concentrated in the first 0.05 m of the intercept along with pyrite mineralization seen both within the vein and in the hosting siltstone. A distinct boundary is seen between the visible-gold rich quartz breccia and the downhole quartz breccia, as the downhole breccia appears darker may indicate multiple pulses of mineralising fluids through the host structure (Figure 1). The breccia vein was sampled as one returning a grade of 1,780 g/t gold over a length of 0.17 m (0.15 m ETW).

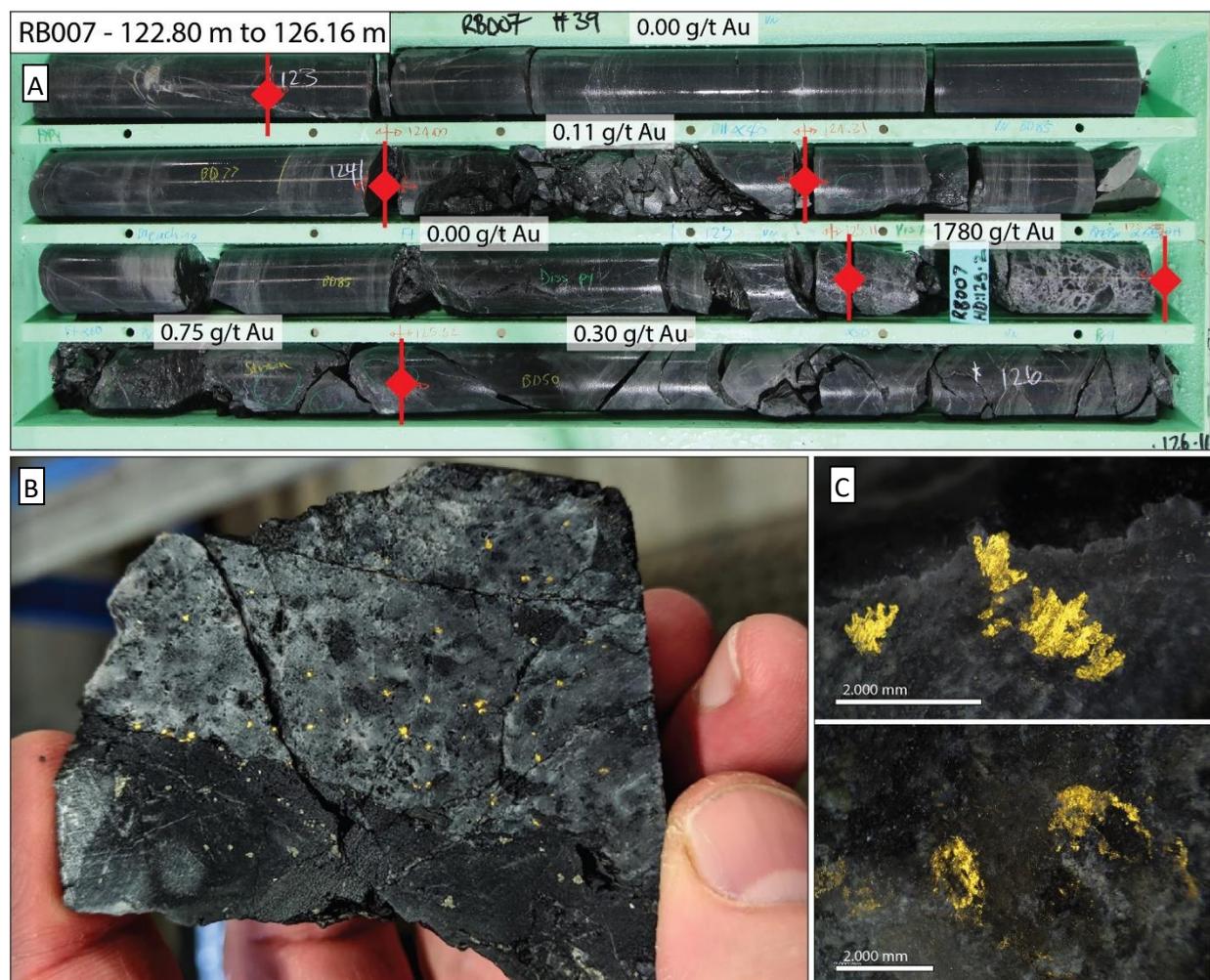


Figure 3. Images of the RB007 intercept including a picture of the core tray showing surrounding breccia and assays grades (A), hand specimen of the uphole contact of the mineralized breccia (B) and micrographs of some of the gold grains (C).

RB008 is currently testing for the continuation of this mineralised trend ~90 m to the south RB007 and has intercepted a 300 mm thick quartz breccia with visible gold (Figure 2). While this intercept will still need to be fully interrogated, the structural orientation and character of veining indicate that this structure could represent further westward offset of the intercept in RB007. RB008 is currently advanced 250 m and will continue to transect the Cochrane trend target. Drilling results from RB007 and RB008 have also identified several moderately west to northwest dipping faults occurring before mineralized intercepts that were not identified in the previous round of drilling. While their significance is still being investigated preliminary

interpretations suggest they may represent the hanging wall of the mineralization seen in RB007 and RB008. The offset in the mineral system could be introduced by these faults and their presence would explain the lack of a surface expression of the mineralisation intercepted to the west of the workings.

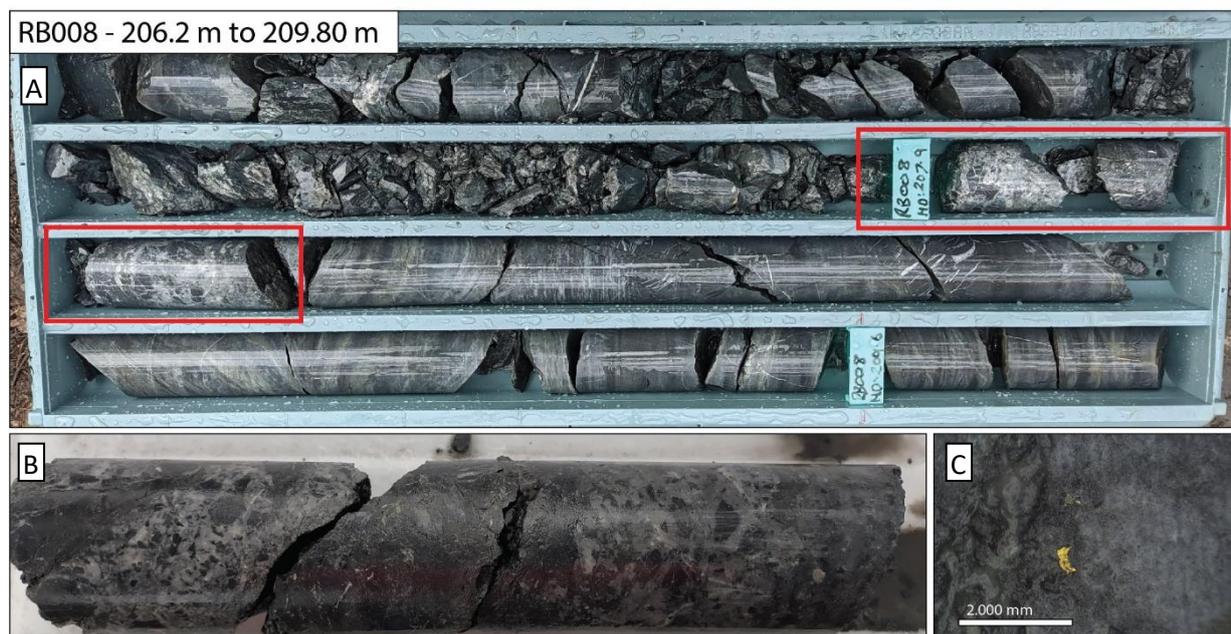


Figure 4. Images of the RB008 intercept including a picture of the core tray showing surrounding fault zone and host rock (A), hand specimen of the mineralized breccia (B) and a micrograph of a gold grain within the breccia (C).

Initially designed to test for gold mineralization under the South Robinson Shaft, RB005 intercepted mineralization a further 70 m to the west of the South Robinson Shaft. This intercept consisted of a 0.15 m fault gouge, followed by a zone of quartz tension veining and bedding parallel quartz veins over approximately 4.5 m characterized by moderate to strong pyrite alteration. One of the bedding parallel veins held visible gold and the assays for this intercept are still pending. A broad zone of quartz stockwork veining and strong pyrite alteration was also identified at a similar easting in RB006, highlighting the potential for a ~300 m corridor of anomalism west of the Robinson's working.

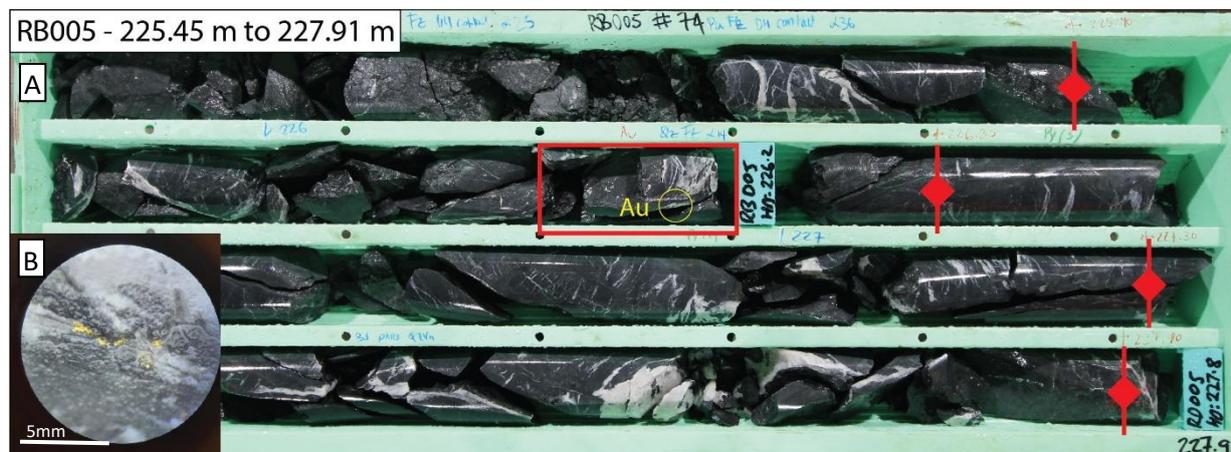


Figure 5. Images of the RB005 intercept including a picture of the core tray showing tension veining faulting and host rock (A) and a micrograph of a gold grain spotted within the veining (B).

Drilling also highlighted the upgrade potential on the Cochrane line of lode anticipated in the 2020 Robinson Drilling campaign, with quartz-stibnite veining intercepted in RB003 and RB002 in the vicinity of the Cochrane trend (press released June 22, 2020). RB004 intersected a zone of strong mineralisation broadly correlating with the Cochrane. This zone comprises several mineralized structures culminating with two quartz breccias containing minor stibnite and several specimens of visible gold within a quartz-stibnite stockwork zone. RB007 has also intercepted a similar zone characterized by quartz-stibnite veining with free gold present in one vein which could indicate the continuation of this mineralised trend at depth. While still poorly understood this additional line of mineralization is a welcome addition and exploration of this trend will continue alongside Robinson. The RB004 composite is 8.3 g/t gold over 0.69 m (0.42 m ETW).

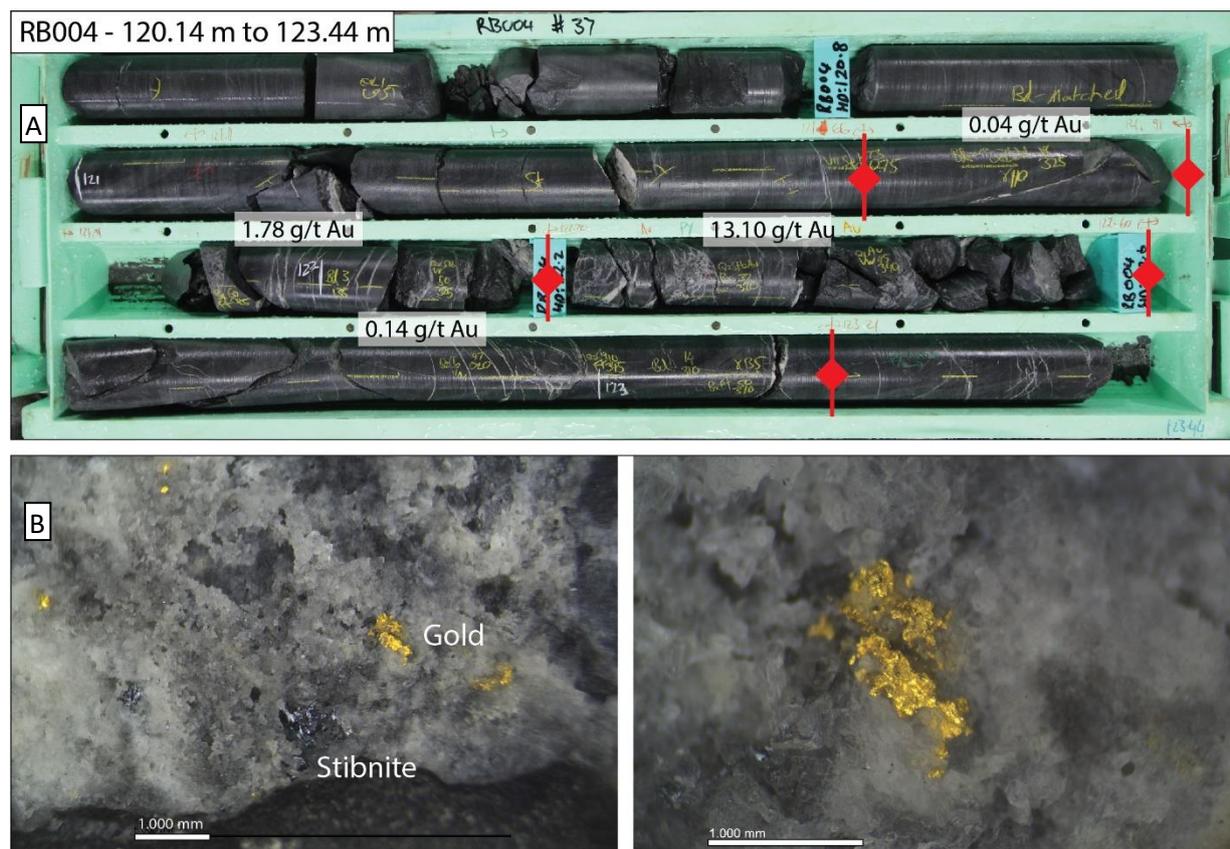


Figure 6. Images of the RB004 intercept including a picture of the core tray showing mineralised veining and host rock with interval assays (A) and two micrographs of gold grains spotted within the veining (B).

Some Context

The historic Robinson Mine and the current prospect sits on a regional trend that includes the Brown Prospect and is approximately parallel and 2 km to the east of the Costerfield Mine. Offset from the Augusta/Cuffley and Youle hosting Costerfield Formation by the King Cobra Fault, the Robinson-Brown corridor mineralization is hosted in the younger silty sandstone dominated Wapentake Formation turbidites. The Costerfield Formation is interpreted to sit approximately 800m below the surface, which suggests that mineralization along the Robinson-Brown trend could be the most surficial expression of a deep system that parallels the ~2 million oz central corridor.

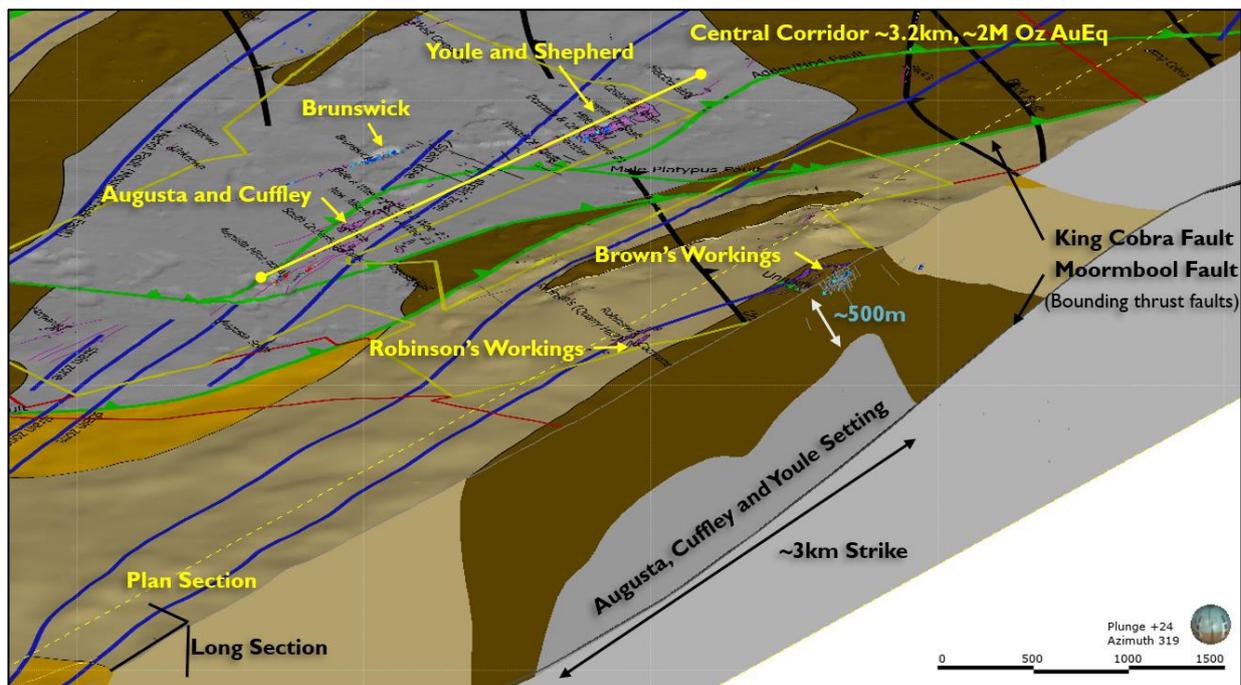


Figure 7. Regional perspective block diagram showing the spatial relationship of Costerfield Central Corridor, where current mining is ongoing, and the Brown and Robinson line.

The Robinson Mine was worked from discovery in 1881 to 1899 and from historic accounts was a high-grade gold mine. No recorded reason for the cessation of mining at Robinson has been found to date however, in other deposits mined in the same era at Costerfield, veining was lost on flat faults at the base of the mines where the operators at the time failed to locate the offset depth continuation of veining. Mandalay's preliminary interpretation suggests that this could have also happened at the Robinson Mine.

Future Exploration

Drilling will continue on the Robinson Prospect, with an intent to define the geological framework of the prospect and understand the breadth of mineralization. Further soils and bedrock sampling is also planned to provide greater resolution to the current 200 m spaced lines. Although still in the early stages of exploration, Mandalay has committed to extending and augmenting the Robinson testing program in the near future.

Drilling and Assaying

All diamond drill core was logged and sampled by Costerfield geologists. All samples were sent to On Site Laboratory Services (OSLS) in Bendigo, Victoria, Australia, for sample preparation and analysis by fire assay for gold, and Atomic Absorption Spectroscopy (AAS) for antimony. Samples featuring coarse grained visible gold were assayed using a variant of fire assay known as screen fire assay. This method is routinely used to mitigate potential problems associated with heterogeneity in the distribution of coarse gold within drill samples. The procedure collects all coarse heterogenous coarse gold by screening at 75µm after crushing and pulverisation, and subsequently fire assays the resultant mass to extinction. A mass weighted average of gold grade of the sample is subsequently calculated from the +75µm and -75µm fractions of the sample. Site geological and metallurgical personnel have implemented a QA/QC procedure that includes systematic submission of standard reference materials and blanks within batches of drill and face samples submitted for assay. Costerfield specific reference materials produced

from Costerfield ore have been prepared and certified by Geostats Pty Ltd., a specialist laboratory quality control consultancy. See Technical Report entitled "Costerfield Operation, Victoria, Australia NI 43-101 Report" dated March 30, 2020, available on SEDAR (www.sedar.com) for a complete description of drilling, sampling, and assaying procedures.

Qualified Person:

Chris Davis, Vice President of Operational Geology and Exploration at Mandalay Resources, is a Chartered Professional of the Australasian Institute of Mining and Metallurgy (MAusIMM CP(Geo)), as well as a Member of the Australian Institute of Geoscientists (MAIG) and a Qualified Person as defined by NI 43-101. He has reviewed and approved the technical and scientific information provided in this release.

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 (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 exploration and development potential of the Brown's Prospect (Costerfield). 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 31, 2022, 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.

Appendix

Table 1. Significant intercepts of the Robinson Testing drilling program

DRILL HOLE ID	FROM (M)	TO (M)	DRILL WIDTH (M)	TRUE WIDTH (M)	AU GRADE (G/T)	SB GRADE (%)	SAMPLED STRUCTURE
RB004	121.91	122.60	0.69	0.42	8.3	0.2	Cochrane Trend
<i>INCLUDING</i>	122.20	122.60	0.40	0.24	13.1	0.2	
RB004	147.60	148.20	0.60	0.32	1.7	0.0	Unnamed
RB005	225.90	226.35	0.45	0.28	Assays pending		Unnamed
RB007	125.11	125.28	0.17	0.15	1780.0	0.0	Robinson Trend
RB007	276.00	277.50	1.50	1.30	Assays pending		Cochrane Trend
RB008	121.91	122.60	0.69	0.42	Assays pending		Robinson Trend

Notes

- Composites that are not interpreted to be connected to a named vein or trend and are below 1 g/t Au are not considered significant and are not recorded here.

Table 2. Drill Hole Collar Details

DRILL HOLE ID	EASTING	NORTHING	ELEVATION	DEPTH	DIP	AZIMUTH	DATE COMPLETE
RB004	17256	5086	1195	188.2	-41.2	91.0	4/04/2022
RB005	17432	4816	1203	283.3	-38.9	265.6	25/04/2022
RB006	17466	5131	1189	280.7	-31.0	263.6	6/05/2022
RB007	17180	5034	1204	309.0	-51.3	88.3	20/05/2022
RB008	17072	4951	1212		-48.0	90.0	Not yet Complete