



Mandalay Resources Achieves 2023 Production Guidance with a Strong Q4 and Provides Outlook for 2024

TORONTO, ON, January 16, 2024 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announces its operating results for the fourth quarter and full-year 2023 and provides production and cost guidance for 2024. All currency references in this press release are in U.S. dollars except as otherwise indicated.

Fourth Quarter and Full-Year 2023 Production Highlights:

- Consolidated full-year 2023 metal production was 89,809 gold equivalent ounces;
- Costerfield's highest quarterly gold production since Q4 2021, with 13,016 ounces contributing to 15,383 gold equivalent ounces of total production in Q4 2023; and
- Björkdal's highest quarterly gold production since Q1 2022, with 11,558 ounces.

2024 Production and Cost Guidance:

- Consolidated annual production guidance of 90,000 – 100,000 gold equivalent ounces;
- Cash cost and all-in sustaining cost¹ of \$1,050 – \$1,170 and \$1,450 – \$1,580 per gold equivalent ounce, respectively;
- Consolidated capital expenditures of \$41 – \$49 million, inclusive of capital exploration spending, of:
 - Costerfield: \$9 – \$11 million; and
 - Björkdal: \$3 – \$4 million.

Frazer Bouchier, President and CEO, commented:

"Mandalay demonstrated resilience and the strength of our operating model by overcoming multiple production challenges throughout 2023. Both sites delivered a strong fourth quarter to close out the year, enabling the Company to achieve its 2023 revised production guidance with 89,809 gold equivalent ounces produced. This operational improvement as the year progressed was matched by an impressive safety record, with incident rates well below industry averages. We anticipate that this stronger operational performance will continue with an expected increase in the annual production profile to 90,000 – 100,000 gold equivalent ounces in 2024."

Ryan Austerberry, COO, commented:

"During Q4 2023, Mandalay produced 26,941 gold equivalent ounces. Notably, as compared to the previous quarter, Costerfield's gold equivalent production increased by 42% to 15,383 gold

¹ Cash costs and all-in sustaining costs are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Refer to "Non-IFRS Measures" at the end of this press release for further information.

equivalent ounces. This significant increase was mostly due to higher underground mined gold grades during the quarter. Additionally, the issues leading to lower milled tonnes stemming from processing transitional Youle to Shepherd ore have been mostly rectified with planned ongoing improvements to aid consistency of throughput. For 2024, both the Youle and Shepherd deposits remain major contributors to our production profile.

Björkdal continued to show progress with its third consecutive quarter-over-quarter improvement, producing 11,558 gold ounces, which was its highest quarterly result since Q1 2022. This improvement is mainly underpinned by increased grades from the Eastern Extension zone and reliable mine production. The operation intends to prioritize higher-gold grade areas with higher margin ore while commissioning the recently completed mill expansion project to reach the target annualized rate of approximately 1.45 million tonnes by Q2 2024.”

Mr. Bouchier concluded, “2024 will be a pivotal year as we strive to build upon the Company’s solid platform of two operating assets in excellent jurisdictions, while continuing our focus on key operational metrics to better manage mine site challenges and risks. We expect to extend our track record of operational success and cash flow generation. In 2024, we will invest heavily in exploration; planned expenditures are expected to approach \$15 million with the objective of replacing mine depletion at both sites and extending the mine life at Costerfield. We have opportunities at both sites to extend known mineralized areas and make new near-mine discoveries. This organic growth focus coupled with several exciting external growth opportunities leads me to believe 2024 will be an exciting and transformational year for Mandalay. Lastly, I would like to express my appreciation for the team’s hard work at both sites and their commitment to operational excellence. It’s through the collective efforts of our talented people that we will continue to strive to reach new heights in 2024.”

Production for the Quarter Ended December 31, 2023:

- The Company produced a total of 24,574 ounces of gold and 404 tonnes of antimony representing a total of 26,941 ounces of gold equivalent, versus 22,341 ounces of gold and 504 tonnes of antimony in the fourth quarter of 2022, representing a total of 25,683 ounces of gold equivalent.
- Production at Björkdal was 11,558 ounces of gold versus 10,256 ounces of gold in the fourth quarter of 2022.
- Production at Costerfield was 13,016 ounces of gold and 404 tonnes of antimony versus 12,085 ounces gold and 504 tonnes antimony in the fourth quarter of 2022.

Production for the Year Ended December 31, 2023:

- The Company produced a total of 78,205 ounces gold and 1,860 tonnes antimony, representing a total of 89,809 ounces of gold equivalent production, versus 89,134 ounces gold and 2,292 tonnes of antimony, representing a total of 105,906 ounces of gold equivalent in 2022.
- Production at Björkdal was 42,148 ounces gold.
- Production at Costerfield was 36,057 ounces gold and 1,860 tonnes antimony.

Table 1 – Fourth Quarter and Full-Year Production for 2023 and 2022

Metal	Source	Three months ended December 31 2023	Three months ended December 31 2022	Year ended December 31 2023	Year ended December 31 2022
Gold (oz)	Björkdal	11,558	10,256	42,148	41,247
	Costerfield	13,016	12,085	36,057	47,887
	Total	24,574	22,341	78,205	89,134
Antimony (t)	Costerfield	404	504	1,860	2,292
Gold US\$/oz		1,980	1,730		
Antimony US\$/t		11,603	11,473		
Total Gold Eq. (oz)⁽¹⁾					
	Björkdal	11,558	10,256	42,148	41,247
	Costerfield	15,383	15,427	47,661	64,659
	Total	26,941	25,683	89,809	105,906

1. Quarterly gold equivalent ounces ("Gold Eq. (oz)") produced is calculated by multiplying the production quantities of gold ("Au"), 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 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 price is www.transamine.com, and Sb price is www.metalbulletin.com.

Sales for the Quarter Ended December 31, 2023:

- The Company sold a total of 23,201 ounces of gold and 454 tonnes of antimony, representing a total of 25,861 ounces of gold equivalent, versus 21,272 ounces of gold and 484 tonnes of antimony in the fourth quarter of 2022, representing a total of 24,482 ounces of gold equivalent.
- Björkdal sold 11,458 ounces of gold 3 versus 9,569 ounces of gold in the fourth quarter of 2022.
- Costerfield sold 11,743 ounces of gold and 454 tonnes of antimony versus 11,703 ounces of gold and 484 tonnes of antimony in the fourth quarter of 2022.

Sales for the Year Ended December 31, 2023:

- The Company sold 76,527 ounces gold and 1,909 tonnes antimony, representing a total of 88,427 ounces of gold equivalent, versus 89,117 ounces gold and 2,316 tonnes antimony, representing a total of 106,094 ounces of gold equivalent in 2022.
- Björkdal sold 41,669 ounces gold.
- Costerfield sold 34,858 ounces gold and 1,909 tonnes antimony.

Table 2 – Fourth Quarter and Full-Year Sales for 2023 and 2022

Metal	Source	Three months ended December 31 2023	Three months ended December 31 2022	Year ended December 31 2023	Year ended December 31 2022
Gold (oz)	Björkdal	11,458	9,569	41,669	40,680
	Costerfield	11,743	11,703	34,858	48,437
	Total	23,201	21,272	76,527	89,117
Antimony (t)	Costerfield	454	484	1,909	2,316
Gold US\$/oz		1,980	1,730		
Antimony US\$/t		11,603	11,473		
Total Gold Eq. (oz)¹					
	Björkdal	11,458	9,569	41,669	40,680
	Costerfield	14,403	14,913	46,758	65,414
	Total	25,861	24,482	88,427	106,094

1. Quarterly Gold Eq. (oz) sold is calculated by multiplying the production 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 price 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 2024 Guidance:

Table 3 – 2024 Production and Cost Guidance

	2024E
Björkdal	
Gold produced (oz)	43,000 – 47,000
Cash cost ⁽¹⁾ per oz gold produced	\$1,270 – \$1,390
All-in sustaining cost ⁽¹⁾ per oz gold produced	\$1,690 – \$1,850
Capital expenditures	\$20M – \$24M
Costerfield	
Gold produced (oz)	41,000 – 44,000
Antimony produced (t)	1,100 – 1,500
Gold equivalent produced ⁽²⁾ (oz)	47,000 – 53,000
Cash cost ⁽¹⁾ per oz gold eq. produced	\$850 – \$970
All-in sustaining cost ⁽¹⁾ per oz gold eq. produced	\$1,080 – \$1,260
Capital expenditures	\$21M – \$25M
Consolidated	
Gold equivalent ⁽²⁾ produced (oz)	90,000 – 100,000
Average cash cost per oz gold eq.	\$1,050 – \$1,170
Average all-in sustaining cost ⁽³⁾ per oz gold eq.	\$1,450 – \$1,580
Capital expenditures	\$41M – \$49M

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 \$1,900/oz, Sb \$11,000/t
3. Consolidated all-in sustaining costs per Au Eq. oz includes corporate overhead spending.

Mandalay's 2024 production guidance is based on:

- Foreign exchange assumptions:
 - Average 2023 rates: AUD/USD 0.665 and USD/SEK 10.61; and
 - Guidance 2024 rates: AUD/USD 0.670 and USD/SEK 10.30
- Capital expenditures at Costerfield to be carried out at the tailings storage facilities of \$4 – \$6 million.
- Capitalized exploration expenditures of:
 - Costerfield: \$9 – \$11 million; and
 - Björkdal: \$3 – \$4 million.

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 Company's expected production of gold and antimony and costs for the 2024 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 31, 2023, 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.

Non-IFRS Measures:

This news release may contain references to Income from mine operations before depreciation & depletion, adjusted EBITDA, adjusted net income, free cash flow, cash cost per ounce of gold equivalent produced and all-in sustaining cost all of which are non-IFRS measures and do not have standardized meanings under IFRS. Therefore, these measures may not be comparable to similar measures presented by other issuers.