



Mandalay Resources Provides 2023 Year-End Mineral Reserves and Resources Update for the Costerfield Mine, alongside an Interim Mineral Reserves Update for the Björkdal Mine

TORONTO, ON, February 22, 2024 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) released today updated Mineral Reserves and Resources for the Costerfield mine in Victoria, Australia and an Interim Mineral Reserve update for its Björkdal mine in Västerbotten County, Sweden as at December 31, 2023. All dollar amounts in this press release are in U.S. dollars unless otherwise noted.

Costerfield Mineral Reserves and Resources Highlights

- 559,000 tonnes at a gold grade of 10.5 g/t and 1.9% antimony, for an approximate 188,000 ounces of gold and 10,600 tonnes of antimony in Total Proven and Probable Mineral Reserves; and
- 965,000 tonnes at a gold grade of 10.6 g/t and 3.0% antimony, for an approximate 330,000 ounces of gold and 28,800 tonnes of antimony in Total Measured and Indicated Mineral Resources.

Björkdal 2023 Interim Mineral Reserves Highlights

- 11.5 million tonnes at a gold grade of 1.32 g/t for an approximate 490,000 ounces of gold in Total Proven and Probable Mineral Reserves; and
- Mineral Resources remain unchanged as not updated.

Frazer Bouchier, President and CEO of Mandalay, commented:

"Under Mandalay's ownership since 2009, Costerfield has consistently demonstrated a stable track record of Mineral Resource replacement, contributing to an average mine life fluctuating between 2 to 5 years over this fifteen-year period. The ongoing exploration efforts have generated significant value over time, and the Company remains steadfast in its commitment to exploring both near the mine and regionally to unlock even further value at Costerfield with increased exploration spend for 2024.

"Likewise, Björkdal remains a significant large system and this interim update of Mineral Reserves is more a methodology calculation amendment only and we are excited to further fully update the Mineral Resources and Mineral Reserves effective end of this year to capture 2023 and 2024 drilling, to be released in early 2025."

Chris Davis, Vice President of Exploration and Operational Geology, continued:

"At Costerfield, the focus has been on understanding the Shepherd discovery made in 2021. Drilling efforts aimed to delineate and accurately model the veining, revealed high grades in a

network of sheeted quartz veins with complex interactions. Although defining Shepherd has bolstered mining confidence, expanding Mineral Resources has proven somewhat more challenging within this deposit. Consequently, for now, the growth in Mineral Resources was less than initially anticipated, and the current estimate of mine life is 3.5 years.

“Regarding Björkdal, an interim reserve update was conducted factoring in the depletion of Mineral Reserves for 2023 while updating the scheduling methodology applied, resulting in an increase in tonnage with a reduction in underground mine grade. This scheduling update was an in-house initiative with engineering consultants SLR input and reflects Mandalay's commitment to continuous improvement and enhancing operational performance. A comprehensive Mineral Resources and Reserves update is planned for release in Q1 2025 which will reflect all exploration drilling from 2023 and that planned for this 2024 year.”

Costerfield Mineral Resource and Mineral Reserve Summary

During 2022 and 2023, at Costerfield, Mandalay drilled a total of 82.9 kilometers (“km”) of exploration diamond core. The breakdown of this drilling campaign was as follows:

- 34.6 km to verify through infill and test extensions of the Youle and Shepherd orebodies;
- 21.3 km to test and infill other near-mine targets; and
- 27.0 km to test regional targets beyond current mine operations.

The 27.0 km of regional testing included 10.4 km drilling on the nearby True Blue deposit located approximately 2 km north west from the current Youle workings. The maiden Inferred Resource on True Blue consists of quartz and stibnite veins hosted in the Costerfield siltstone (which also hosts all other current Resources at Costerfield) akin to those seen in the Augusta and Cuffley orebodies mined from 2008 to 2018. Gold is also hosted within these veins, typically within the quartz. This will lead to increased activity on this deposit during 2024.

In addition to regional exploration drilling, 1,607 metres of on-vein development was completed within the Youle orebody, and 4,341 metres of development into the Shepherd orebody. Rock chip samples used in mine grade control were also included in the geological database and used in the Mineral Resources estimation process to improve Mineral Resources classification in areas accessed by development.

Drill core was logged and sampled by Costerfield geologists, who also performed mine sampling. All samples were submitted to Onsite Laboratory Services in Bendigo, Victoria, Australia for sample preparation and assay. Site geological and metallurgical personnel have implemented a QA/QC process that includes the regular submission of site specific and externally sourced standard reference materials, duplicates and blanks with drill and face samples submitted for assay. Site specific standard reference materials were both produced and certified by Geostats Pty Ltd. or ORE Research and Exploration Pty Ltd. (OREAS). Both Geostats Pty Ltd. and OREAS are Australian consultancies who specialize in laboratory quality control systems.

The acquire Geoscientific Information Management (“GIM”) system was used to store and validate all geological data used for the Mineral Resource Estimate. A two-dimensional (“2D”)

accumulation estimation method was used for all models. This method is considered most applicable for the narrow veins of Costerfield. The Datamine™ Studio RM platform supports 2D accumulation estimation and was used to complete the Mineral Resource Estimation. Validated drilling and mine sampling data were imported into Datamine and composited to full intersection width. Gold accumulation, antimony accumulation (accumulation = vein true width x vein grade) and true vein width were estimated into a 2D block model for each lode using ordinary kriging interpolation. Gold and antimony grades were back-calculated using the estimated accumulated data and true vein width.

Where vein true widths are less than 1.2 metres, vein grades were diluted to a minimum mining width of 1.2 metres using dilution grades of zero g/t gold and zero percent antimony for host lithologies. Where vein true widths are greater than or equal to 1.2 metres, grades were not diluted.

Mineral Resources were reported above a cut-off of 5.0 g/t gold equivalent ("AuEq") which was determined using Costerfield's 2023 production costs, and using a gold price of \$1,900/oz, and an antimony price of \$12,000/t. Cut-off grade is expressed as AuEq to allow for the inclusion and expression of the secondary metal (Sb) in terms of the primary metal (Au). AuEq is calculated using the formula $AuEq = Au + (Sb \times 1.88)$ where Sb is expressed as a percentage, and Au is in grams per tonne, both based on 1.2 metre diluted grades.

Table 1: Mineral Resources at Costerfield, Inclusive of Mineral Reserves as of Dec 31, 2023

Category	Inventory (kt)	Gold (g/t)	Antimony Grade (%)	Contained Gold (koz)	Contained Antimony (kt)
Measured (Underground)	388	15.9	4.1	198	16.0
Measured (Stockpile)	29	5.2	1.0	5	0.3
Indicated	548	7.2	2.3	127	12.5
Measured + Indicated	965	10.6	3.0	330	28.8
Inferred (Costerfield)	214	7.0	1.8	56	2.5
Inferred (True Blue)	72	3.5	3.7	8	2.6
Inferred	286	7.0	1.8	64	5.1

Notes:

1. The Mineral Resource is estimated as of December 31, 2023 with depletion through to this date.
2. The Mineral Resource is stated according to CIM guidelines and include Mineral Reserves.
3. Tonnes are rounded to the nearest thousand; contained gold (oz) is rounded to the nearest thousand; contained antimony (t) is rounded to nearest hundred.
4. Totals may appear different from the sum of their components due to rounding.
5. 5.0 g/t AuEq cut-off grade over a minimum mining width of 1.2 m is applied where AuEq is calculated using the formula: $AuEq = Au \text{ g/t} + 1.88 * Sb \%$
6. The AuEq factor of 1.88 is calculated at a gold price of \$1,900/oz, an antimony price of \$12,000/t, and recoveries of 94% for Au and 89% for Sb.
7. Veins were diluted to a minimum mining width of 1.2m before applying the cut-off grade and peripheral mineralisation far from current development was excluded to comply with the Reasonable Prospects for Eventual Economic Extraction (RPEEE) criteria.
8. The Stockpile Mineral Resource is estimated based upon surveyed volumes supplemented by production data.
9. Geological modelling, sample compositing and Mineral Resource Estimation for updated models was performed by Joshua Greene, MAusIMM, a full-time employee of Mandalay Resources.
10. The Mineral Resource Estimate was independently reviewed and verified by Cael Gniel MAIG RPGeo (Mineral Resource Estimation), a full time employee of SRK Consulting. Mr Gniel fulfils the requirements to be a "Qualified Person" for the purposes of NI 43-101, and is the Qualified Person under NI 43-101 for the Mineral Resource Estimate.

The Measured and Indicated categories of Mineral Resources were used to update the mine plan using predominantly a long-hole stoping mining method with cemented rock fill. An operational

cut-off grade of 6.0 g/t AuEq was determined from Costerfield's 2023 production costs, and minimum stoping widths of 1.5 metres were used, with planned and unplanned dilution at zero grade for both Au and Sb. An incremental cut-off grade of 3.1 g/t AuEq was applied where incremental mining conditions were met. AuEq grade for the Mineral Reserve is calculated using commodity prices of \$1,800/oz for Au, and \$11,500/t Sb. AuEq is calculated using the formula $AuEq = Au + (Sb \times 1.22)$ where Sb is in % and Au is in grams per tonne. Financial viability of Proven and Probable Mineral Reserves was demonstrated at metal prices of \$1,800/oz Au and \$11,500/t Sb.

Table 2: Mineral Reserves at Costerfield as of Dec 31, 2023

Category	Inventory (kt)	Gold Grade (g/t)	Antimony Grade (%)	Contained Gold (koz)	Contained Antimony (kt)
Proven Reserve					
Underground	330	12.4	2.2	131	7.3
Stockpile	29	5.2	1.0	5	0.3
Probable Reserve					
Underground	200	8.1	1.5	52	3.0
Total Proven and Probable	559	10.5	1.9	188	10.6

Notes:

1. The Mineral Reserve is estimated as of December 31, 2023, and depleted for production through to December 31, 2023.
2. Tonnes are rounded to the nearest thousand; contained gold (oz) is rounded to the nearest thousand; contained antimony (t) is rounded to nearest hundred.
3. Totals may appear different from the sum of their components due to rounding.
4. Lodes have been diluted to a minimum mining width of 1.5 m for stoping and 1.8 m for ore development.
5. A sustaining cut-off grade of 6.0 g/t AuEq is applied. An Incremental cut-off grade of 3.1 g/t AuEq is applied where mining rates do not meet mill capacity and the life of the mine is not extended.
6. Commodity prices applied are Au price of USD1,800/oz, Sb price of USD11,500/t and exchange rate USD:AUD of 0.70.
7. AuEq is calculated using the formula: $AuEq = Au \text{ g/t} + 1.22 * Sb \%$.
8. The Mineral Reserve is a subset, a Measured and Indicated only schedule, of a Life of Mine plan that includes mining of Measured, Indicated and Inferred Resources.
9. The Mineral Reserve Estimate was prepared by Brett Nevill MAusIMM who is a full-time employee of SRK Consulting, under the direction of Dylan Goldhahn, MAusIMM, who is a full-time employee of Mandalay Resources. The Mineral Reserve Estimate was independently verified by Robert Urie FAusIMM who is a full-time employee of SRK Consulting. Robert Urie fulfils the requirements to be a "Qualified Person" for the purposes of NI 43-101, and is the Qualified Person under NI 43-101 for the Mineral Reserve.

The net decrease of 123,384 ounces of gold in Proven and Probable Mineral Reserves for end 2023, relative to end 2021, consists of the addition of 13,124 ounces of gold added by Mineral Resource conversion and addition of Mineral Resources to the Shepherd ore body as well as a total of 110,259 ounces of gold depleted from the December 31, 2021 Mineral Reserves through mining production in 2022-2023 and through mining re-evaluation. The 8,970 tonnes of antimony net decrease in Proven and Probable Mineral Reserves consists of 793 tonnes of antimony added by Mineral Resources conversion and addition of Mineral Resources to Shepherd and 8,177 tonnes of antimony depleted from the 2023 Mineral Reserves through mining production in 2022-2023 and through mining re-evaluation.

Leading into 2024, Mandalay is continuing to centre its regional efforts on a number of prospective targets that present major growth opportunities at Costerfield. The expenditure for near mine exploration will remain constant around Shepherd but with additional focus now on the Cuffley Extension programs as well as Brunswick Extension. In addition, Mandalay has accelerated regional

exploration with a major focus and 2024 centre of attention on the True Blue deposit 'line' with step-out drilling currently being undertaken over a prospective strike length of 1.5km.

Björkdal Interim Mineral Reserves Estimate

Owing to the longevity of the Björkdal Mine and consistency of Mineral Resources replacement, Mandalay chose not to complete and report a full 2023 year end Mineral Resources and Mineral Reserves estimate reported in Q1 2024. Rather, the below describes steps taken to produce an Interim Mineral Reserves estimate from the previous Mineral Resource model that has a drilling effective cut-off date remaining as of September 2022.

Reconciliation analysis at Björkdal continues to show good global metal correlation between the Resource Models and production. However, owing to the structural complexity of veining at Björkdal, it is generally understood that gold ounces will be delivered from underground at a lower grade than modeled due to further mine development required to optimally recover the complex ore veining.

As a part of the company's ongoing dedication to continual improvement, Mandalay enlisted the assistance of SLR Consulting to contribute to and verify a new scheduling methodology that accounts for veining complexity within the Björkdal Mine that is difficult to accurately model through drilling alone.

Grade and tonnage scientific factoring has been applied in areas characterised by a high potential for discovery of new veins not predicted in the initial models but observed once mining faces intersect the veins. Stopes with diluted and recovered grades exceeding 1.8 g/t and on-vein development drives exceeding 2.5 g/t have been factored to reduce 'as-mined' grades and increase mined tonnes. This approach is well supported by historical and ongoing reconciliation data, where an increase in Run of Mine ("RoM") ore tonnes is related to mining more veins in a particular area than initially expected. This results in lower head grades at higher volumes but generally maintains total mined ounces of gold.

Estimated stope ore tonnes are calculated by dividing the projected final grade of stopes or development drives by the prescribed capping value, after applying dilution and recovery modifying factors.

Capping has been selectively employed in well-established areas with extensive existing development already in place. Stopes with diluted and recovered grades exceeding 1.8 g/t and, on-vein development drives exceeding 2.5 g/t, have been capped at those grades as informed by historical reconciliation data.

This implementation of capping grades has been confined to regions where the likelihood of discovering new veins, with a consequential increase in ore tonnes, is limited. Capping involves constraining the projected final grade of stopes or development drives to the specified cap value. For instance, a stope with a calculated final grade of 2.6 g/t and a capping value of 1.8 g/t will only account for ounces of gold up to the capping threshold. Any ounces above this limit are excluded, while the final tonnage remains unaltered.

This Interim Mineral Reserves estimation has used the existing Long-Term Block Model with a data cut-off date of September 30, 2022. No new drilling, mapping, or sampling data acquired subsequent to that cut-off date has been included as yet. However, the model was depleted for mining extraction up to December 31, 2023 prior to estimating updated Mineral Reserves.

No amendments have been made to the Björkdal and Norrberget open pit Mineral Reserves estimates filed in the NI 43-101 Technical Report on March 31, 2023. In re-estimating the underground Interim Mineral Reserves at Björkdal Mine, a gold price of US\$1,800 /oz has been used.

Cut-off grades (CoG) have been updated for underground stoping and development using FY2023 actual operating and capital costs. The mill recovery figure was updated in line with the FY2024 budget and gold payability has been based upon actual contracts and the FY2024 budget.

The updated marginal CoG was calculated to be 0.45 g/t and the stope CoG 0.94 g/t. A slightly more conservative stope CoG of 1.00 g/t has been used for estimating interim Mineral Reserves. Where Inferred material is present in designed development drives and stopes, this has been treated as zero-grade waste for the purposes of dilution and economic assessment. No Inferred material has been included in the interim Mineral Reserve re-estimation.

A summary of the Interim Mineral Reserves estimates for the Björkdal underground and open pit mines, including Norrberget, are presented below in Table 3.

Table 3: Interim Mineral Reserves at Björkdal as of Dec 31, 2023

Category	Inventory (kt)	Gold Grade (g/t)	Contained Gold (koz)
Proven Reserve			
Björkdal Underground	451	1.52	22
Probable Reserve			
Björkdal Underground	5,922	1.63	311
Björkdal Open Pit	2,816	1.12	101
Norberg Open Pit	170	2.74	15
Stockpiles	2,159	0.60	41
Total Proven and Probable	11,518	1.32	490

Notes:

1. Björkdal Mineral Reserves are estimated using drill hole and sample data as of September 30, 2022 and depleted for production through to December 31, 2023.
2. Norrberget Mineral Reserves are based on a data cut-off date of September 30, 2017.
3. CIM (2014) definitions were followed for Mineral Reserves.
4. Open pit Mineral Reserves for Björkdal are based on mine designs carried out on a December 31, 2022 resource model with a data cut-off date of September 30, 2022. A block dilution of 100% at 0.0 g/t Au was applied for blocks above 1.0 g/t and 100% at in-situ grade for blocks below 1.0 g/t, but above a cut-off grade of 0.39 g/t Au. The application of these block dilution factors is based on historical reconciliation data from 2018 and 2019. A marginal cut-off grade of 0.39 g/t Au was applied to estimate open pit Mineral Reserves.
5. Open pit Mineral Reserves for Norrberget are based on 15% dilution at 0.0 g/t Au and a cut-off grade of 0.46 g/t Au.
6. Underground Mineral Reserves are based on mine designs carried out on a December 31, 2022 resource model with a data cut-off date of September 30, 2022. Minimum mining widths of 4.07 m for stopes (after dilution) and 4.75 m for development (after dilution) were used. Stope dilution was applied by adding 0.6 m on each side of stopes as well as an additional 10% sidewall over break dilution. An overall dilution factor of 25% was added to development design widths. Mining extraction was assessed at 95% for contained ounces of gold within stopes and 100% for

- development. A cut-off grade of 1.00 g/t Au was applied to material mined within stopes. An incremental cut-off grade of 0.45 g/t Au was used for development material.
7. Stockpile Mineral Reserves are based upon surveyed volumes supplemented by production data as of December 31, 2023.
 8. Mineral Reserves are estimated using an average long term gold price of US\$1,800/oz for Björkdal underground mine, and US\$1,600/oz for the Björkdal open pit and Norrberget.
 9. An exchange rate of 10.3 SEK/US\$ has been used.
 10. Tonnes and contained gold are rounded to the nearest thousand.
 11. Numbers may not sum due to rounding.
 12. The Independent Qualified Person for the Björkdal Mineral Reserve estimate is Rick Taylor, MAusIMM (CP), Principal Mining Engineer with SLR, who is a Qualified Person as defined by NI 43-101.

The Mineral Reserves have increased in ore tonnes by 95,000t as a result of the new scheduling methodology undertaken. The Proven and Probable gold ounces have decreased by a total of 80,000 which includes 2023 mining depletion of approximately 50,000 gold ounces. The remainder, approximately 34,000 gold ounces, is due to capping losses in developed areas of the underground mine, and losses due to removal of development and stopes containing a high proportion of Inferred gold ounces.

Björkdal have conducted further exploration drilling since September 30, 2022, and detailed mapping and sampling of on-vein development was routinely carried out during 2023 in accordance with grade control protocols. An updated Long-Term Block Model, that will include drilling up to the end of September 2024, is currently in the process of being developed in preparation for the filing of an updated Mineral Resource estimate and NI 43-101 Technical Report in March 2025.

Qualified Persons

All Qualified Persons listed below have read and approved the contents of this news release as it pertains to the Mineral Resource and Mineral Reserve estimates disclosed in this news release.

- The Mineral Resource estimates for Costerfield and True Blue were carried out under the supervision of Cael Gniel MAIG RPGeo (Mineral Resource Estimation), a full time employee of SRK Consulting and independent of Mandalay. He is a Qualified Person for the purpose of NI 43-101.
- The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.
- The Mineral Reserve estimate for Costerfield was carried out under the supervision of Robert Urie FAusIMM who is a full-time employee of SRK Consulting and independent of Mandalay. He is a Qualified Person for the purposes of NI 43-101.
- The QP is not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.
- The Bjorkdal Interim Mineral Reserve estimate was carried out under the supervision of Rick Taylor, CP, MAusIMM, Principal Mining Engineer, an employee of SLR and independent of Mandalay. He is a Qualified Person for the purposes of NI 43-101.
- The QP is not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.

For Further Information

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About Mandalay Resources Corporation

Mandalay Resources is a Canadian-based 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. 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.