Mandalay Extends High-Grade True Blue Discovery and Deploys Additional Drill Rigs at Costerfield Gold-Antimony Mine

TORONTO, ON, July 21, 2025 – Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announces an exploration update on the True Blue discovery near the operating Costerfield gold-antimony mine in Australia.

Highlights:

- Drilling confirms structural and grade continuity increasing confidence.
- Highlights include:
  - 155.0g/t Au and 3.7% Sb or **164 g/t AuEq over 0.30 m** (ETW 0.20m) in TB043;
  - 19.9g/t Au and 2.1% Sb or **25 g/t AuEq over 3.10 m** (ETW 2.37m) in TB044;
  - 5.4g/t Au and 2.4% Sb or **11 g/t AuEq over 1.64 m** (ETW 1.6m) in TB052; and
  - 16.0g/t Au and 1.5% Sb or **20 g/t AuEq over 3.57 m** (ETW 1.5m) in TB053;
- Discovered high-grade parallel vein 40 metres from initial discovery with remarkable intercept:
  - 11.7g/t Au and 6.5% Sb or **27 g/t AuEq over 4.88 m** (ETW 2.4m) in TB034A
- Offset mineralized structures, outside of the current resource, highlight potential for substantial upside and resource growth.
- Accelerated program with three surface drill rigs now in operation.

Note: Further intercept details including significant intercepts within composite intervals and AuEq assumptions can be found in the Appendix. ETW refers to the Estimated True Width of the intercept.

Frazer Bourchier, President and CEO of Mandalay, commented:

"Given Costerfield's ability to efficiently mine narrow 1.5-metre widths, the high-grade results from True Blue are incredibly exciting and offer potential to extend the mine's life. Beyond True Blue, we're also seeing encouraging results across other parts of the operation, underscoring the depth of opportunity within the Costerfield district. As I prepare to join the Alkane Board, I'm especially enthusiastic about showcasing Costerfield's exceptional exploration success to the broader Australian investment community."

Chris Davis, VP of Exploration and Operational Geology, commented:

"True Blue remains the primary focus of regional exploration at Costerfield. Building on the encouraging results in January of this year (see January 28th press release), drilling has ramped up with three diamond drill rigs now turning on two programs with plans to source additional rigs. The first is aimed at extending the high-grade central area and defining its structural framework. Encouragingly, this program intersected a new parallel vein approximately 40 metres from the target and identified apparent offset extensions to the current mineral resource, highlighting additional growth potential while adding credibility to our initial exploration extent and formation hypothesis.

"The second phase narrows focus to the upper portion of the high-grade core where infill drilling is building confidence in structure and grade continuity. While still ongoing, every single exploration drill hole has intersected veining on target with grades in line with expectations. These results will guide a decision on advancing an exploration drive to support deeper drilling.

"Infill drilling is expected to be complete in Q3 while broader mineral extent drilling will continue for the full year. While economic evaluation is ongoing from the infill drilling, exploration will continue across the parallel and offset panels identified in the 2025 program, supporting the broader case for growth across the Costerfield district."

Mandalay Resources Corporation
155 University Ave, Suite 720
Toronto, ON
M5H 3B7

Further Information
Edison Nguyen, Director, Business Valuations and Investor Relations
e.nguyen@mandalayresources.com

True Blue Drilling Update

The True Blue prospect is located approximately 2 km west of the Central Corridor (historic and current mining at Costerfield) and is defined at surface by a 4 km-long soil geochemical anomaly, comparable to the surface signature of the main production areas. To date, drill testing has been conducted in only a limited portion of the anomaly, with the focus on an area 600 m in strike length (Figure 1).

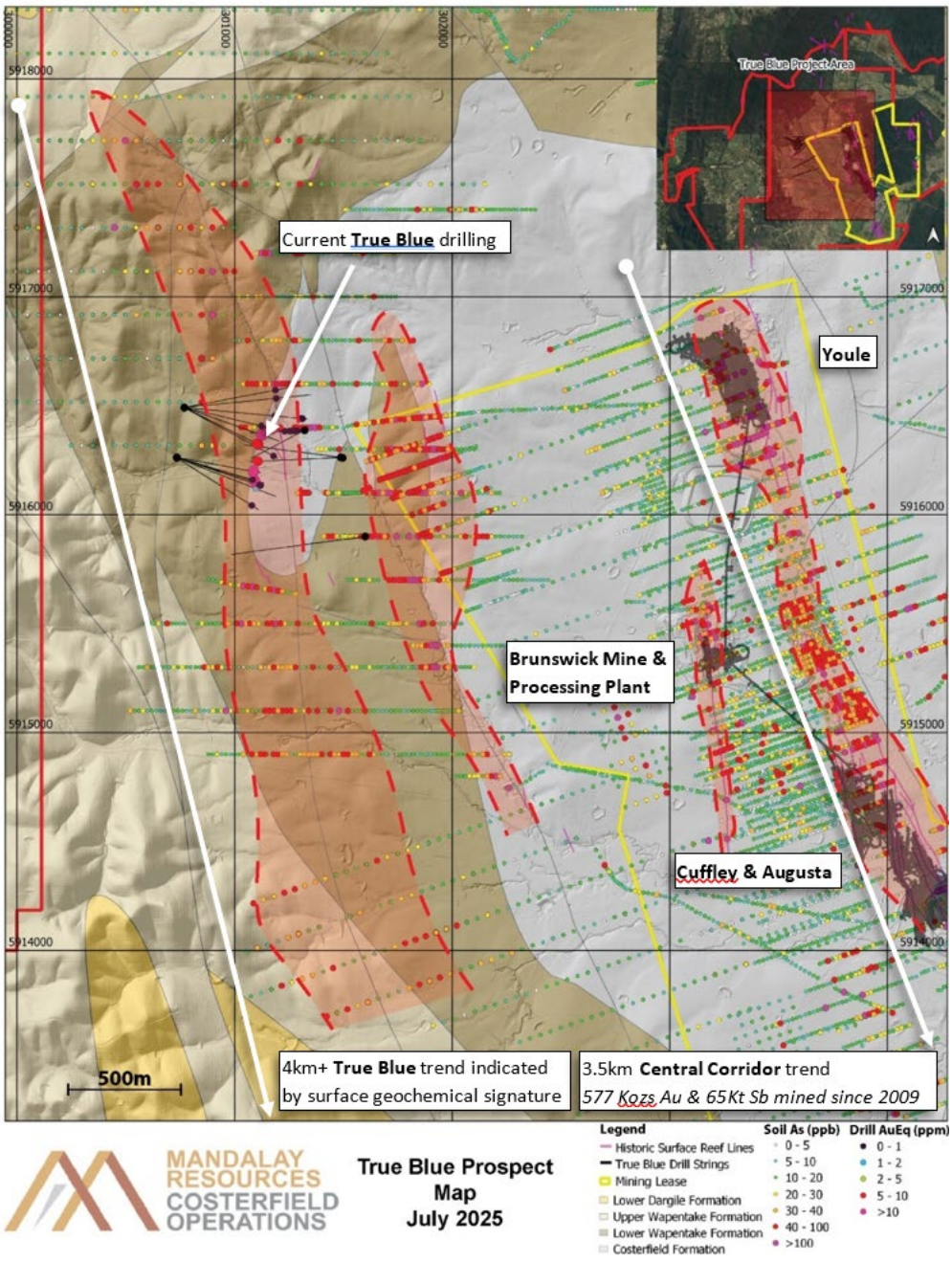


Figure 1. Geological Map, Plan View, showing True Blue and Central Corridor surface geochemical anomalism with diamond drilling on True Blue since February 2025.

In January 2025, Mandalay issued an exploration update announcing several very high-grade drill intercepts at True Blue, the best of which was 578.0 g/t gold and 20.5% antimony over 0.47 m (ETW 0.33 m) in drillhole TB031 (see January 28th release). Mandalay further released a Mineral Resources update in February 2025 integrating these results into an Inferred Resource of 145,000 tonnes at 13.1g/t gold and 3.1% antimony (see February 20th release).

Since January's drilling update, an additional nineteen diamond drill holes have been completed at True Blue with the overall program ongoing. Eleven of these have been targeted towards defining the structural framework of True Blue and the rest have been dedicated to infill with the intent of gaining confidence on grade continuity within the dominant veins of the deposit.

Structural Definition Drilling

The initial phase of follow-up drilling at True Blue focused on delineating the upper bound of the high-grade domain and defining structural offsets and mineralization characteristics along strike. The first northern extension hole (TB034A) intersected a wide zone of antimony and gold-rich veining (Figure 2), approximately 30 metres east of the anticipated target position. This intersection was correlated with a nearby, well-developed mineralized vein intercept in drillhole TB017, drilled in 2023.

Over the course of the program it became clear that the high-grade mineralization encountered in TB034 did not align with the previously drilled high-grade domain but instead sat on a sub-parallel structure approximately 30 metres to the east. It was also observed that the main True Blue structure persisted further to the north, indicating that the intercept in TB034 is not part of a flexure in the main vein, but rather an additional vein altogether.

The segmentation of grade between parallel structures along strike is a common feature of other Costerfield lodes most prominently seen in the Shepherd vein system below Youle.

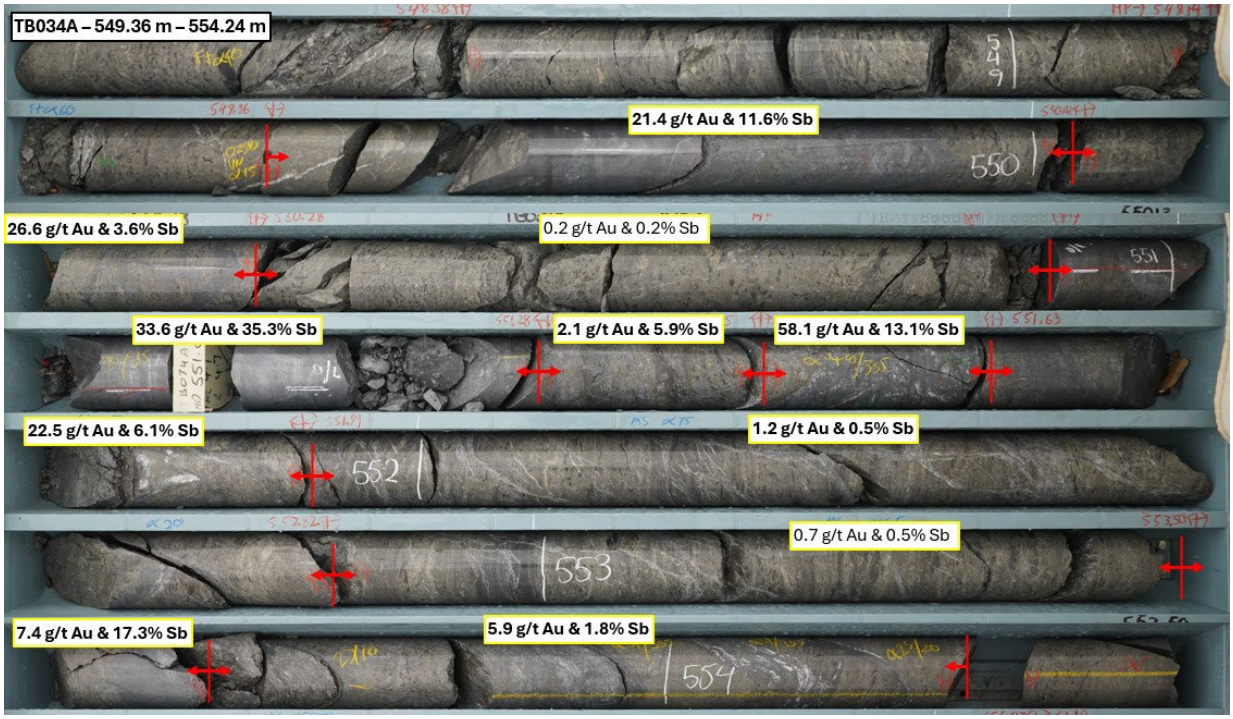


Figure 2. Additional parallel vein intercept in drillhole TB034A grading 11.7g/t gold and 6.5% antimony over 4.88 m (ETW 2.06 m).

In addition to identifying a secondary vein, the program has also revealed that the apparent upper limit of the targeted panel is defined by its interaction with a west-dipping thrust fault. This newly named *Wombat Fault* exploits an early, bedding-parallel structure with distinct characteristics that can be easily correlated across the deposit. While veining has been observed above this structure, it occurs further to the east.

Drillhole TB038 intersected a wide zone of poorly mineralized veining approximately 100m above and to the east of the main target zone, situated between the new discovery and the historic True Blue workings—under which mineralization was initially confirmed in 2021.

The base of the panel is interpreted to be the *Komodo Fault*, also a west-dipping thrust fault. Unlike the Wombat Fault, however, mineralization has been observed both below and to the west—as reported in January—and now also to the east. Drillhole TB037 was extended to the east and into the footwall of the Komodo Fault, where it intersected a 22-metre (drilled width) array of mineralized vertical veining (Figure 4).

If the typical westward progression of veining seen within Costerfield's Central Corridor can be applied to True Blue, this suggests further potential exists above the Komodo Fault and to the east of current exploration efforts.

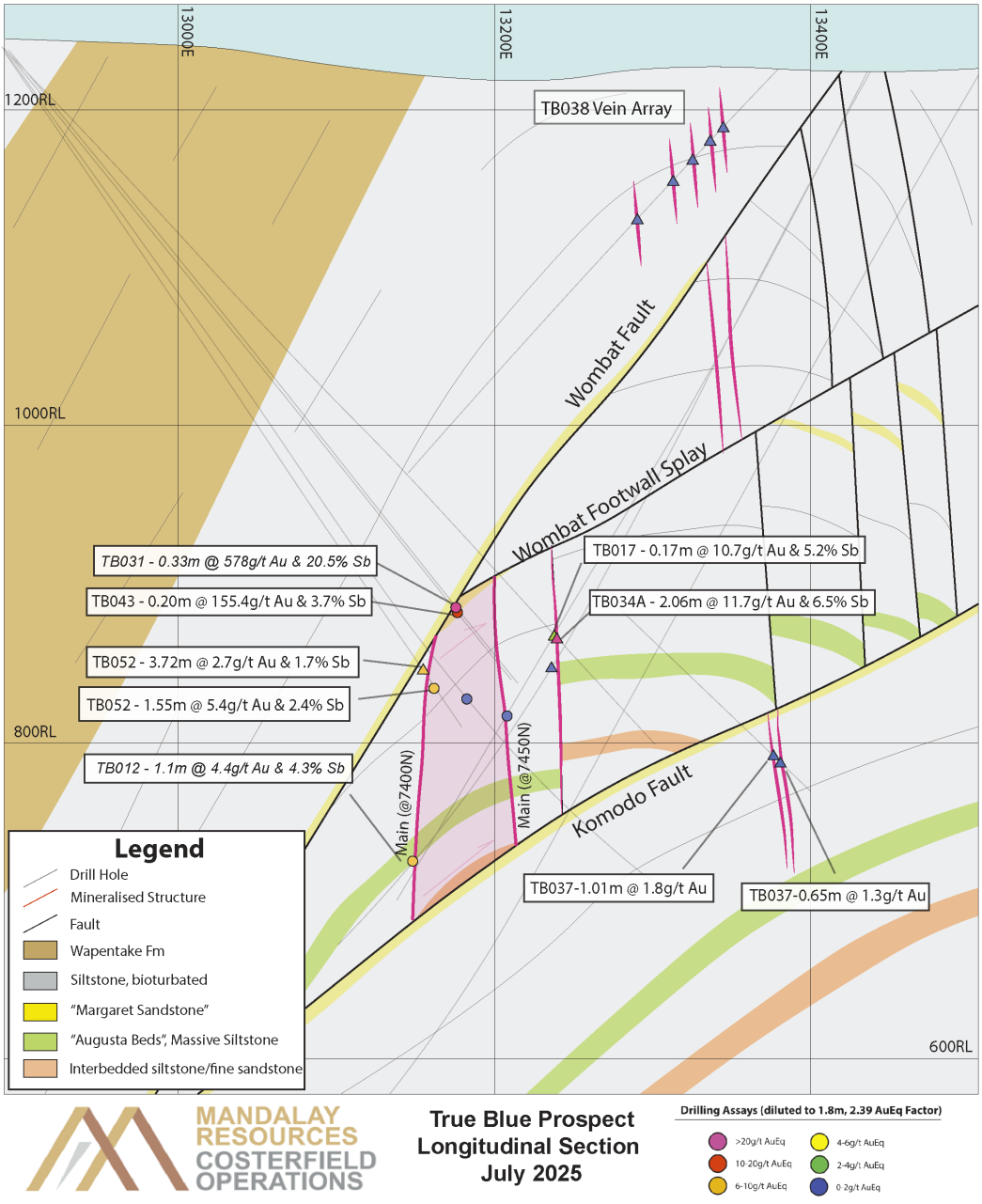
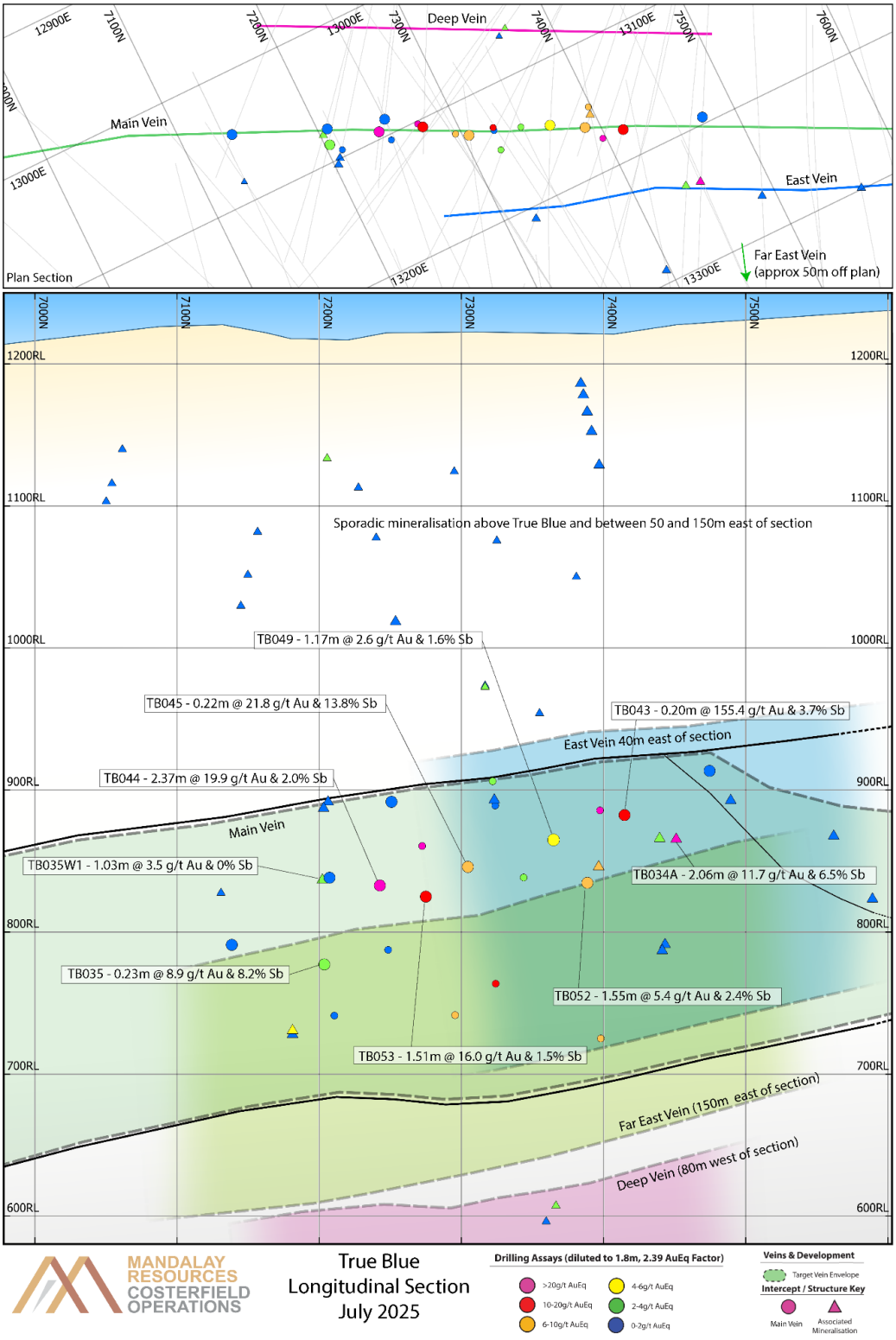


Figure 3. Cross section through 7450N of the True Blue deposit showing the relationship between the main and eastern structures, the positi[illegible]elative position of other mineralized vein systems intersected including the veining observed below the Komodo Fault in TB037.

To the north of the high-grade domain and the newly discovered secondary vein, a fault—interpreted to be a northeast-trending cross-cutting splay from the Wombat Fault—has been found to disrupt the continuity of the modelled veining. This has led to a reinterpretation of the area. While low-grade intercepts do exist further north, the apparent offset positions remain under-tested and open.



Figur[Estimated True Width @ Gold grade (g/t) & Antimony grade (%)]g. Note that additional mineralized intercepts have been observed offset from the main vein, both above the Wombat and below the Komodo Faults as well as within parallel structures. These associated intercepts are denoted with a triangle. Drill intercepts not previously announced are annotated with composites over 2.0 g/t AuEq when diluted to 1.8 m.

Infill Drilling

Following the deposit framework drilling program and positive results of the mineral resource estimation released in February, infill drilling commenced within the upper portion of the high grade pannel. This drilling aims to provide further confidence around structural and grade continuity and ultimately provide the basis of a decision develop an exploration drive from the current Costerfield infrastructure. To date eight holes have been drilled in this program (figure 4).

Encouragingly, this drilling has demonstrated clear structural continuity, with veining successfully intersected at the targeted depths in each hole. Mineralization of the main True Blue veining is dominated by stibnite, with relatively low amounts of quartz compared to Youle and Shepherd. Gold grades remain high, with visible gold observed within the stibnite veining. Below is the intercept from TB044, where a series of gold-bearing stibnite veins can be seen alongside corresponding high gold values (figure 5).

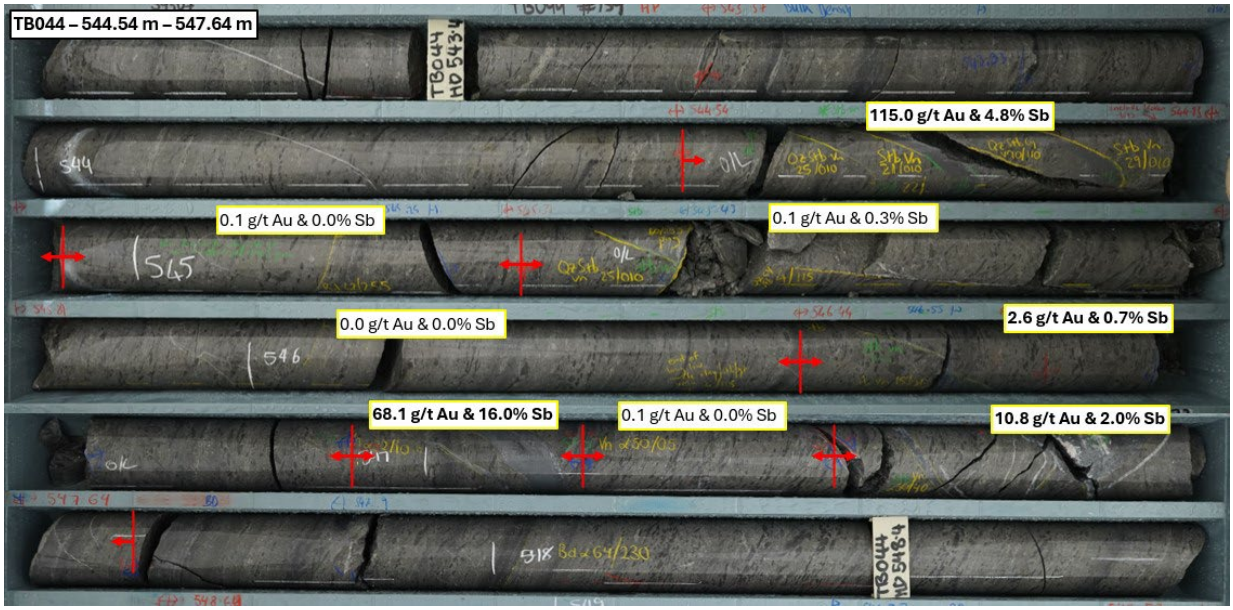


Figure 5. Main True Blue intercept in drillhole TB044 grading 19.9g/t gold and 2.0% antimony over 3.10 m (ETW 2.37 m).

Geological Modeling

Continued drilling at True Blue is reinforcing Mandalay's geological model of the deposit and its similarity to existing deposits to the east in the Costerfield Main Corridor. Mineralization at True Blue is hosted primarily within subvertical veins that exploit faulting and cleavage developed within a large anticline, which has been truncated and progressively offset westward by a series of regional-scale thrust faults.

From the drilling conducted to date, the structural continuity of mineralization at True Blue appears remarkably consistent across the drill-tested area. This consistency is also a defining feature of the Costerfield Main Corridor and is currently attributed to the rheological homogeneity of the Costerfield Siltstone, which is present in both areas.

The truncating west-dipping thrust faults, prominent at both True Blue and within the Costerfield Main Corridor, are recognized for forming grade panels. These faults have repeatedly

been shown not to bound the deposits and, in some cases—most notably at Youle—can host high-grade mineralization themselves when conditions are favourable.

This understanding, along with observed continuation of mineralization above the Wombat Fault and below the Komodo Fault, strongly suggests the potential for additional high-grade panels adjacent to those currently known.

In September 2024 a 2D active seismic survey was conducted at Costerfield. This survey extended two lines that were part of a previous 2022 seismic program over Mandalay's tenements. In addition to providing resolution on the Costerfield Main Corridor's structural architecture at depth, the survey was also able to provide significant additional context around the True Blue Corridor. The survey showed the True Blue deposit to be located in the immediate footwall of a regional-scale thrust that is traceable to a depth of at least two kilometres, with additional footwall splays passing below the known mineralization. This large fault is interpreted to correlate to the Wombat Fault observed in drilling, with the Komodo Fault joining it at depth west of the deposit. The seismic survey currently supports Mandalay's interpretation derived from surface mapping and drilling. The proximity to this structure may, by way of providing a conduit for high-volume fluid flow from depth, give some explanation for the well-developed white mica and carbonate alteration surrounding the deposit, which appears to be more intense than around the Costerfield Main Corridor deposits (figure 6).

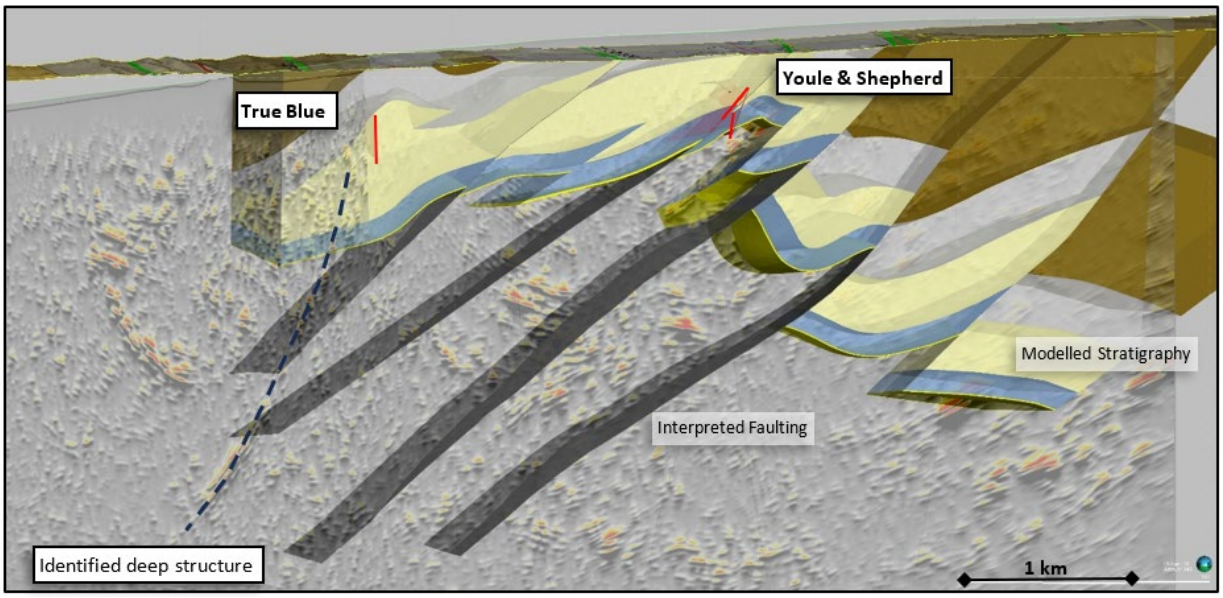


Figure 6. Perspective section looking northeast showing an interpolation of the recent seismic data and regional geological model.

Next Steps

With encouraging results coming from the central panel, infill drilling will continue into Q3. Upon completion, these data will form the basis of an internal economic modelling exercise that will inform a decision to extend an exploration drive from the current underground infrastructure. This drive will allow for more detailed and cost-effective deep drilling, as well as provide a potential future extraction point from True Blue.

In Q3, Mandalay expects to refocus its exploration efforts on extending True Blue, following promising intercepts and the potential for untested offset panels along strike and up-dip of the

main panel. Mandalay anticipates providing a further update in Q4 based on economic modeling outcomes and continued drilling progress.

Drilling and Assaying

All diamond drill core was logged and sampled by Costerfield geologists or contracted geologists with significant industry experience who worked under Costerfield geologist's oversight. 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. 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 OREAS, a specialist laboratory quality control consultancy. See Technical Report entitled "Costerfield Operation, Victoria, Australia NI 43-101 Report" dated March 30, 2025, 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

Frazer Bourchier
Director, President and Chief Executive Officer

Edison Nguyen
Director, Business Valuations and Investor Relations

Contact:
647.258.9722

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 cashflow. Mandalay is committed to operating safely and in an environmentally responsible manner, while developing a high level of community and employee engagement.

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 True Blue discover (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 30, 2025, a copy of which is available under Mandalay's profile at www.sedarplus.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 from drilling program.

DRILL HOLE ID	FROM (M)	TO (M)	INTERVAL (M)	ESTIMATED TRUE WIDTH (M)	AU GRADE (G/T)	SB GRADE (%)	AU EQUIVALENT (G/T)	VEIN
TB035	594.86	595.15	0.29	0.23	8.9	8.2	28.5	Main
TB035W1	542.50	543.64	1.14	0.76	0.4	0.4	1.4	Main
TB040	599.73	600.60	0.87	0.65	0.2	LLD	0.2	Main
TB043	516.83	517.17	0.34	0.20	155.4	3.7	164.1	Main
TB044	544.54	547.64	3.10	2.37	19.9	2.0	24.5	Main
TB045	531.84	532.09	0.25	0.22	21.8	13.8	54.7	Main
TB046	496.29	496.41	0.12	0.12	3.3	4.7	14.4	Main
TB049	518.86	520.48	1.62	1.17	2.6	1.6	6.5	Main
TB052	548.80	550.44	1.64	1.55	5.4	2.4	11.2	Main
TB053	529.43	533.00	3.57	1.51	16.0	1.5	19.7	Main
TB017	417.87	418.09	0.22	0.17	10.7	5.2	23.0	Associated
TB026	730.65	731.10	0.45	0.41	0.5	2.6	6.6	Associated
TB026	716.56	717.72	1.16	0.82	1.6	1.7	5.7	Associated
TB029	776.42	777.95	1.53	1.39	4.7	0.3	5.4	Associated
TB029	781.30	782.43	1.13	0.56	3.2	LLD	3.2	Associated
TB032	575.43	575.86	0.43	0.31	1.7	LLD	1.7	Associated
TB033	522.20	522.84	0.64	0.60	0.5	LLD	0.5	Associated
TB033	528.56	529.25	0.69	0.57	0.8	LLD	0.8	Associated
TB034A	549.36	554.24	4.88	2.06	11.7	6.5	27.2	Associated
TB035W1	549.49	553.00	3.51	1.03	3.5	LLD	3.6	Associated
TB037	693.21	695.51	2.30	1.01	1.8	LLD	1.8	Associated
TB037	701.16	702.45	1.29	0.65	1.3	LLD	1.3	Associated
TB038	50.00	50.18	0.18	0.16	1.8	LLD	1.8	Associated
TB038	61.37	61.62	0.25	0.21	0.7	LLD	0.7	Associated
TB038	77.64	77.85	0.21	0.19	1.3	LLD	1.3	Associated

TB038	97.07	97.18	0.11	0.09	1.4	LLD	1.4	Associated
TB052	535.57	540.01	4.44	3.72	2.7	1.7	6.8	Associated

Notes

1. The AuEq (gold equivalent) grade is calculated using the following formula:

$$\text{AuEq g per t} = \text{Au g per t} + \text{Sb\%} \times \frac{\text{Sb price per 10kg} \times \text{Sb processing recovery}}{\text{Au price per g} \times \text{Au processing recovery}}$$

   Prices and recoveries used: Au $/oz = 2,500; Sb $/t = 19,000; Au Recovery = 91% and; Sb Recovery = 92%
2. LLD signifies an undetectable amount of antimony. Detection limit for the analysis used is 0.01%

Table 4. Drill Hole Collar Details

DRILL HOLE ID	NORTHING	EASTING	ELEVATION	DEPTH	DIP	AZIMUTH	DATE COMPLETE
TB032	300769	5916491	227	601	-36	113	22-Jan-25
TB033	300735	5916262	227	539	-40	108	30-Jan-25
TB034A	300769	5916491	237	648	-41	103	11-Feb-25
TB035	300734	5916261	227	743	-49	111	27-Feb-25
TB035W1	300734	5916261	227	679	-49	111	25-Mar-25
TB036	301600	5915900	207	757	-36	261	24-Mar-25
TB037	300770	5916492	237	726	-39	95	4-Mar-25
TB038	301322	5916387	220	353	-45	267	11-Apr-25
TB039	300770	5916492	237	773	-41	84	2-Apr-25
TB040	300734	5916261	227	652	-47	122	22-Apr-25
TB041	300769	5916493	237	720	-44	79	24-Apr-25
TB043	300769	5916491	237	580	-43	109	12-May-25
TB044	300734	5916262	227	590	-47	107	9-May-25
TB045	301488	5916263	216	580	-44	267	20-May-25
TB046	300734	5916262	227	569	-43	106	3-Jun-25
TB048	300769	5916491	237	590	-39	109	30-Jun-25
TB049	301488	5916263	216	600	-42	277	12-Jun-25
TB052	300768	5916491	237	590	-46	116	19-Jun-25
TB053	300734	5916263	227	576	-47	101	30-Jun-25

Notes:

1. Coordinate System: MGA2020