



## **MANDALAY RESOURCES**

### **MANDALAY RESOURCES CORPORATION PROVIDES UPDATE ON WORK AT CERRO BAYO MINE**

TORONTO, ON, June 27, 2017 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) regretfully announces that efforts to search for and locate the two Mandalay employees working in the flooded Delia NW mine at the Company's Cerro Bayo operation have been unsuccessful. The Chilean Office of Exception State has ruled out the possibility of finding the two miners, Jorge Sanchez and Enrique Ojeda, alive.

Mandalay continues to work jointly with the national and regional authorities, and a team of experts, in the response to the flooding of the Delia NW mine. Activities include: continuation of drilling at different levels of the mine to determine the current state, pumping water to lower the water level in Laguna Verde, maintaining the diversion of La Tina creek (which is a tributary of Laguna Verde), and carrying out technical evaluations of the subsidence area.

Mining operations at Cerro Bayo have remained suspended since the event occurred (please see Mandalay's June 9, June 14, and June 20, 2017 press releases). An independent investigation of the causes of the event and risk assessments of reopening the Delia SE, Coyita SE, Marcela and Raul veins are being initiated this week.

Dr. Mark Sander, President and Chief Executive Officer of Mandalay, commented: "We deeply regret the loss of two members of our team at Cerro Bayo. The Company offers its condolences and support to the families, friends and crew of the deceased. We will continue to work with the Chilean Government on next steps and the future of the mine. The Company is extremely grateful for the intense efforts put forth in the search and recovery efforts by our employees, contractors, suppliers, Ministry of Mining, Armed Forces, Government of Aysén, Sernageomin and Firemen of Chile Chico, among other active participants. Mandalay thanks you all for your effort, solidarity and support."

#### **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, Chile, and Sweden, and a development project in Chile. The Company is focused on

executing a roll-up strategy, creating critical mass by aggregating advanced or in-production gold, copper, silver and antimony projects in Australia, the Americas, and Europe to generate near-term cash flow and shareholder value.