



MANDALAY RESOURCES

MANDALAY RESOURCES CORPORATION REPORTS FATALITY AT CERRO BAYO OPERATIONS

TORONTO, ON, September 11, 2016 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) regrettably announces the fatality of a contractor in an incident that occurred yesterday at its Cerro Bayo operation in Aysen, Chile.

The incident occurred underground and was reported to the Chilean authorities; an investigation into the incident has been initiated. Mining operations at Cerro Bayo are temporarily suspended and the Company is now working closely with the contractor, authorities, and our employees to respond effectively.

Dr. Mark Sander, President and Chief Executive Officer of Mandalay, commented: "We deeply regret this incident and are working closely with the contractor and the authorities to understand the cause of the fatality. We are focused on the providing support for our employees on site and extend our sincerest condolences to the family of the deceased."

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.