



MANDALAY RESOURCES CORPORATION ANNOUNCES 2015 MINERAL RESOURCES AND RESERVES, REPLACING DEPLETION

TORONTO, ON, February 29, 2016 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) is pleased to announce that its 2015 exploration efforts have resulted in substantially replacing total Mineral Resources and Mineral Reserves depleted during the year. In the Proven and Probable Reserve category (Table 1), contained gold ("Au") decreased by approximately 1%, contained silver ("Ag") decreased by 13%, and contained antimony ("Sb") increased by 21%. In the Measured and Indicated Resource category (Table 2), contained Au decreased by approximately 1%, contained Ag decreased by 5%, and Sb increased by 6%. All dollar amounts in this press release are in U.S. dollars unless otherwise noted.

Table 1: Mineral Reserves as of December 31, 2015 and 2014

	2015			2014		
	Contained Au (koz)	Contained Ag (koz)	Contained Sb (kt)	Contained Au (koz)	Contained Ag (koz)	Contained Sb (kt)
Proven	57	835	5.5	53	2,513	4.4
Probable	648	14,041	13.4	656	14,549	11.2
Proven + Probable	705	14,876	18.9	709	17,062	15.6

Notes:

1. Reserves are contained at Costerfield, Cerro Bayo and Björkdal properties only.
2. See tables 4, 6 and 8 for details of Proven and Probable Reserve tonnages and grades at each property, including cut-off grades and Qualified Persons.
3. Totals may appear different from the sum of their components due to rounding.

Table 2: Mineral Resources, Inclusive of Mineral Reserves, as of December 31, 2015 and 2014

	2015			2014		
	Contained Au (koz)	Contained Ag (koz)	Contained Sb (kt)	Contained Au (koz)	Contained Ag (koz)	Contained Sb (kt)
Measured	106	1,065	11.0	98	3,143	9.6
Indicated	1,013	47,411	27.0	1,039	47,725	26.3
Measured + Indicated	1,119	48,476	38.0	1,135	50,868	35.9
Inferred	215	9,884	9.7	221	11,003	13.7

Notes:

1. See tables 3, 5, 7, 9 and 10 for details of tonnages and grades at each property.
2. Mineral Reserves have not yet been estimated for Challacollo or La Quebrada.
3. Totals may appear different from the sum of their components due to rounding.

Details of the Mineral Resource and Reserve estimates at each property are given below. They have been performed and/or verified by independent third parties: Roscoe Postle Associates Inc. ("RPA") at Björkdal and Cerro Bayo, and SRK Consulting (Australasia) Pty Ltd. ("SRK") at Costerfield. The estimate of Mineral Resources at the Challacollo project has not changed from 2014.

The year-end 2015 estimates of Mineral Resources and Reserves at the Cerro Bayo and Costerfield mines will be fully documented in independent Technical Reports to be filed on www.sedar.com and the Mandalay website www.mandalayresources.com within 45 days of this press release. At the Björkdal mine underground Reserve and Resource estimates were obtained by depletion of 2015 production from last year's estimates, with only minor changes in the open pit and stockpile estimates. Therefore, no new technical report for Björkdal will be filed at this time.

Brad Mills, CEO of Mandalay, commented, "Mandalay's aggregate end-of-year 2015 Mineral Resource and Reserve position is nearly unchanged from year-end 2014. Our 2015 investment in mine exploration generated a total of 184,000 ounces of gold equivalent ('oz Au Eq.') in Reserve additions for a 2015 exploration cost of \$8.9 million—a discovery cost of \$49/oz Au Eq. This excludes any revisions to the Björkdal underground Reserves, which will be reported later this year.

"At Costerfield, we infilled and extended previously Inferred Mineral Resources along the N and Cuffley lodes. As well, the economic parameters for conversion to Mineral Reserves were improved due to more favorable USD:AUD exchange rates, lower operating costs and the minimal capital required for the remaining life-of-mine plan. This resulted in an addition of approximately 125,000 oz Au Eq. to Reserves, replacing 2015 production and adding an additional full year of life. We also obtained excellent drill intercepts in at least three structures below the King Cobra fault (under current workings) that could develop into significant further Resource additions in 2016. Additional drilling is continuing to evaluate these structures.

"At Cerro Bayo, we completed significant infill and extensional drilling under Laguna Verde. However, given the time and cost to complete each long drill hole and the difficulty in precisely targeting ore zones under the lake, we were not able to replace more than approximately one half of the year's depletion. We believe there are potentially significant Resource additions to be achieved in the veins under the centre of the lake, but drilling them effectively must wait until we develop drill platforms from an access drift closer to the targets. Meanwhile we are shifting our exploration efforts at Cerro Bayo to focus on new targets in the Brilliantes, Cerro Bayo Hill and Laguna Verde Norte areas.

"At Björkdal, we accomplished 29,450 metres ('m') of drilling in the year, aimed at increasing both underground and open pit Resources. While the calculation of the open pit Resources and Reserves was straight forward based on reliable ongoing reconciliations, the same cannot be said about the underground Reserves and Resources.

"Since Mandalay acquired the mine in late 2014, we have been implementing improved underground grade control processes and reconciliations of mine and mill results to block model estimates. In addition, we have run several large-scale test mining programs and close-spaced drilling programs to better understand the orebody in detail and establish the appropriate

parameters to use in defining underground resource blocks. As a result, we are refining our ore extraction and development strategy which requires a new mine design. Given the large number of wireframed veins to be updated, including a significant number of new veins discovered in 2015, and the need for a new mine design to extract these Reserves and Resources we were not able to complete the work in time for this annual Resource and Reserve update. Therefore, we have estimated our 2015 year-end underground Resources and Reserves by depleting the 2014 estimates for production, not including any of the new 2015 underground drilling data. Our intention is to complete an entirely new underground Mineral Resource and Reserve estimate with a new mine extraction plan later this year.

“Open pit and stockpile Resources at Björkdal were estimated using all new data and the same process as was used last year. The results of this estimate added 38,000 oz Au, which partially offset the total mine depletion of 52,000 oz Au.”

Concluding his remarks, Mr. Mills said, “Finally, at Challacollo, no additional drilling was undertaken in 2015. Therefore, the Mineral Resource estimate on this property remains unchanged. At Challacollo we are developing new exploration targets based on surface mapping, sampling and geophysics.”

Costerfield 2015 Exploration and Mineral Resources and Reserves

During 2015, Mandalay drilled 18,439 m of diamond core for \$2.5 million. This drilling was planned to support the conversion of Inferred Resources within the Cuffley Deposit to Indicated and to test the potential of extensional and near-mine targets for new deposits. In addition, the Company completed 5,004 m of operating development and mine sampling, mostly in N and Cuffley lodes, 3,680 m of which were in ore.

Drill core was logged and sampled by Costerfield geologists, who also performed mine sampling. All samples were sent to Onsite Labs 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 standard reference materials, duplicates and blanks with drill and face samples submitted for assay. Standard reference materials have been certified by Geostats Pty Ltd.

Core and mine sampling data were entered into Datamine software and composited to true vein width. Au accumulation, Sb accumulation and true vein width were estimated into a two dimensional block model for each lode using ordinary kriging and inverse distance (where the density of data was insufficient for ordinary kriging). Au and Sb vein grades were back calculated using estimated accumulated data and true vein width.

Where vein true widths are less than 1.2 m, vein grades were diluted to a minimum mining width of 1.2 m using dilution grades of zero grams per tonne (“g/t”) Au and zero percent Sb. Grades where vein true widths are greater than 1.2 m were not diluted. Mineral Resources were estimated at a cut-off grade of 3.8 g/t Au Eq. (using metal prices of \$1,400/oz Au and \$11,000/t Sb). Au Eq. is calculated using the formula $Au Eq. = Au + (Sb \times 1.86)$ where Sb is in % and Au is in g/t based on 1.2 m diluted grades.

Table 3: Mineral Resources at Costerfield, Inclusive of Mineral Reserves, as of December 31, 2015

Category	Tonnage (kt)	Au Grade (g/t)	Sb Grade (%)	Contained Au (koz)	Contained Sb (kt)
Measured	247	12.1	4.6	96	11.0
Indicated	798	7.6	3.4	194	27.0
Measured + Indicated	1,045	8.6	3.7	290	38.5
Inferred	491	4.3	2.0	68	9.7

Notes:

1. Mineral Resources estimated as of December 31, 2014, and depleted for production through December 31, 2015.
2. Mineral Resources stated according to CIM guidelines and include Mineral Reserves.
3. Tonnes and contained Au (oz) are rounded to the nearest thousand; contained Sb (t) rounded to nearest hundred.
4. Totals may appear different from the sum of their components due to rounding.
5. A cut-off grade of 3.8 g/t Au Eq. over a minimum mining width of 1.2 m is applied where Au Eq. is calculated at a gold price of \$1,400/oz, antimony price of \$11,000/t and exchange rate USD:AUD of 0.71.
6. The Au Eq. value is calculated using the formula: Au Eq. = Au g/t + 1.86 * Sb %.
7. Geological modelling and sample compositing was performed by Chris Davis, MAusIMM, who is a full time employee of Mandalay Resources and was independently verified by Danny Kentwell MSc, BAppSc, FAusIMM, full time employee of SRK Consulting.
8. The Mineral Resource estimation was performed by Kirsty Sheerin BSc, MAusIMM, who is a full time employee of SRK Consulting and verified by Danny Kentwell MSc, BAppSc, FAusIMM full time employee of SRK Consulting. Danny Kentwell MSc, BAppSc, FAusIMM, full time employee of SRK Consulting is the qualified person under NI 43-101.

From the Mineral Resource, a mine plan was designed based only on Measured and Indicated Resource blocks using predominantly the cemented rock fill, blast hole stoping method employed at the mine. A cut-off grade of 4.0 g/t Au Eq. and minimum stoping width of 1.2 m were used, with planned and unplanned dilution at zero grade. The 2015 cut-off grade was reduced from the 5.0 g/t used in 2014 due to the combined effects of the lower exchange rate (from USD:AUD 0.85 in 2014 to 0.71 in 2015) and reduced capital development requirements.

Financial viability of Proven and Probable Mineral Reserves was demonstrated at metal prices of \$1,200/oz Au and \$9,000/t Sb.

Table 4: Mineral Reserves at Costerfield, as of December 31, 2015

Category	Tonnage (kt)	Au Grade (g/t)	Sb Grade (%)	Contained Au (koz)	Contained Sb (kt)
Proven	125	12.0	4.4	48	5.5
Probable	366	8.2	3.7	97	13.4
Proven + Probable	491	9.2	3.9	145	18.9

Notes:

1. Mineral Reserves estimated as of December 31, 2015, and depleted for production through to December 31, 2015.
2. Tonnes and contained Au (oz) are rounded to the nearest thousand; contained Sb (t) rounded to nearest hundred.
3. Totals are subject to rounding error.
4. Lodes have been diluted to a minimum mining width of 1.2 m for stoping and 1.8 m for ore development.
5. A cut-off grade of 4.0 g/t Au Eq. is applied.
6. Commodity prices applied are; Au price of \$1,200/oz, Sb price of \$9,000/t and exchange rate USD:AUD of 0.71.
7. The Au Eq. value is calculated using the formula: Au Eq. = Au g/t + 1.77 * 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 Shannon Green P.Eng., BEng, MAusIMM who is a full time employee of Mandalay Resources and was independently verified by Peter Fairfield, FAusIMM, CP (Mining) who is a full time employee of

SRK Consulting who is a qualified person under NI 43-101.

The net increase of 33,000 oz Au in Proven and Probable Reserves for 2015 relative to 2014 consists of a total of 40,686 oz Au depleted from the 2014 Reserves, which has been more than offset by the addition of 73,686 oz Au added by reduced cut-off grade and resource conversion drilling. The 3,300 t Sb net increase in Proven and Probable Reserves consists of 3,563 t Sb depleted from the 2014 Reserves, offset by the 6,863 t added by reduced cut-off grade and resource conversion drilling. The Reserve addition due to drilling (before depletion) totals 125,000 oz Au Eq.

Based on the \$2.5 million exploration cost, this Reserve increase of 125,000 oz Au Eq. has been achieved at a cost of \$20.00/oz Au Eq.

Cerro Bayo 2015 Exploration and Updated Mineral Resources and Reserves

During 2015, Mandalay drilled 26,700 m of diamond core for \$3.0 million. This drilling was conducted to support the conversion of Inferred Resources within known veins to Indicated and to drill test new, near-mine targets, all in the Laguna Verde area. In addition, the Company completed 3,990 m of underground on vein development and mine sampling.

Drill core was logged and sampled by Cerro Bayo geologists, who also performed mine sampling. All samples were delivered to the Cerro Bayo site laboratory for sample preparation and analysis. Site geological and metallurgical personnel have implemented a quality assurance and quality control (QA/QC) process that includes the regular submission of standard reference materials, duplicates, and blanks with drill and face samples submitted for assay. Standard reference materials have been certified by CDN Resources Laboratories Ltd.

Core and mine sample data was entered into Vulcan software and vein walls were interpreted manually in a wireframe model. For each vein, Au values for the diamond drill holes and channel samples were capped at a range of 10 g/t to 50 g/t; Ag values were capped at a range of 700 g/t to 5,000 g/t before compositing across the vein width. A bulk density of 2.63 t/m³ was used. Grades for Au and Ag for each resource block were estimated by the inverse distance cubed method. Parent block (width x 1 m x 1 m) and sub-block (0.1 m x 1 m x 1 m) sizes were used with a resultant block size of the vein width x 1 m x 1 m.

Mineral Resources were reported at a cut-off grade of 120 g/t Ag equivalent (Ag Eq.) (using metal prices of \$1,400/oz Au and \$24/oz Ag) over a minimum vein width of 1.2 m. Ag Eq. is calculated using the formula $Ag\ Eq. = Ag + (Au \times 56.65)$ where Ag and Au are in grams per tonne.

Table 5: Mineral Resources at Cerro Bayo, inclusive of Mineral Reserves, as of December 31, 2015

Category	Tonnage (kt)	Ag Grade (g/t)	Au Grade (g/t)	Contained Ag (koz)	Contained Au (koz)
Measured	132	250	2.46	1,065	10
Indicated	1,699	315	3.16	17,211	173
Measured + Indicated	1,832	310	3.11	18,276	183
Inferred	511	181	2.32	2,984	38

Notes:

1. Mineral Resources estimated as of December 31, 2015, and depleted for production through December 31, 2015.
2. Mineral Resources stated according to CIM guidelines and include Mineral Reserves.
3. Tonnes, contained Ag, and contained Au are rounded to the nearest thousand.
4. Totals may be different from the sum of their components due to rounding.
5. A 120 g/t Ag Eq. cut-off grade over a minimum mining width of 1.2 m is applied where Ag Eq. is calculated at an Ag price of US\$24/oz and Au price of US\$1,400/oz. The Ag Eq. value is calculated using the formula: $\text{Ag Eq.} = \text{Ag g/t} + (56.65 \times \text{Au g/t})$.
6. The Independent Qualified Person for the Cerro Bayo Mineral Resource estimate is Rosmary Julia Cardenas Barzola, MAusIMM (CP Geo), RPA, who is a Qualified Person as defined by National Instrument 43-101 (NI 43-101).
7. A bulk density of 2.63 t/m³ was used.

A mine plan was designed based only on Measured and Indicated Resource blocks using the blast hole stoping method currently employed at the mine. A cut-off grade of 164 g/t Ag Eq. and a minimum stoping width of 2.4 m were used, with planned and unplanned dilution at zero grade. The 2015 cut-off grade has decreased from the 184 g/t Ag Eq. value used in 2014 due to reduced operating costs and more favorable USD:CLP exchange rates.

Financial viability of Proven and Probable Mineral Reserves was demonstrated at metal prices of \$18/oz Ag and \$1,200/oz Au.

Table 6: Mineral Reserves at Cerro Bayo as of December 31, 2015

Category	Tonnage (kt)	Ag Grade (g/t)	Au Grade (g/t)	Contained Ag (koz)	Contained Au (koz)
Proven	133	195	1.98	835	9
Probable	1,903	230	2.18	14,041	133
Proven + Probable	2,036	227	2.16	14,876	142

Notes:

1. Mineral Reserves estimated as of December 31, 2015, and depleted for production through to December 31, 2015.
2. Mineral Reserves stated according to CIM guidelines.
3. Tonnes and contained Au and Ag are rounded to the nearest thousand.
4. Totals may appear different from the sum of their components due to rounding.
5. Veins have been diluted to a minimum mining width of 2.4 m for stoping and 3.0 m for ore development.
6. A 164 g/t Ag Eq. cut-off grade was applied, using the formula: $\text{Ag Eq.} = \text{Ag g/t} + (65.62 \times \text{Au g/t})$.
7. Mineral Reserves are estimated using an average long-term Ag price of \$18/oz and Au price of \$1,200/oz.
8. The Independent Qualified Person for the Cerro Bayo Mineral Reserve estimate is Normand Lecuyer, P.Eng., RPA, who is a Qualified Person as defined by NI 43-101.

There was a net decrease of 2,186,000 oz of Ag in Proven and Probable Reserves for 2015 relative to 2014. This decrease was due to mine production of 2,866,000 oz Ag during 2015 and elimination of Reserves on the lowest levels of Dalila, Yasna, Dagny, and Fabiola that were disproved by on-vein development during the last phase of mining these veins. These decreases were partially offset by addition of 1,452,000 oz of Ag due mostly to 2015 extensional and infill drilling in Coyita and Yasna, and the relatively minor impact of the lower cut-off grade. Discovery cost of the additional ounces amounts to \$2.07/oz Ag.

Björkdal 2015 Exploration and Updated Mineral Resources and Reserves

During 2015, Björkdal drilled 29,540 m of core and reverse circulation exploration holes for a total expenditure of \$3.4 million. In addition, underground operations completed 4,483 m of on-vein development. Rigorous mapping, face sampling, and assaying of each blast began in the second quarter of 2015 and will continue going forward.

For the reasons explained below, the Company has updated Björkdal Resources and Reserves in the following manner:

- For open pit Mineral Resources and Reserves, new wireframes were modelled for the Pit 2 and Nylund areas, which were not modelled at 2014 year-end. Drilling from 2015 as well as older drill holes were used for the interpretation of additional mineralized wireframes. The Mineral Resource update employed similar interpolation methods and parameters as in the 2014 model, as the bulk open pit mining method provides for relatively confident reconciliations validating the 2014 block model.
- For underground estimates, Resources and Reserves were calculated by depletion of the March 2015 Resource model for 2015 depletion. It is worth noting that while reconciliations of block model performance to actual mine and mill performance in 2015 were broadly in line, the variability of results for individual blocks, both positive and negative, was large. It became clear as we completed large-scale underground grade control tests and close-spaced drilling of specific blocks during 2015 that an improved estimation model coupled with a more rigorous mine development and extraction plan would produce much more reliable Resource and Reserve estimates that can be consistently reconciled with actual mine and plant results.
- Mineral Resources and Reserves estimates for the low-grade stockpile were performed by adding the new material contributed from open pit and underground mining in 2015 and subtracting material sent from the stockpile to the plant during 2015.

The Company plans to perform a complete refresh of the open pit and underground Reserves and Resources at Björkdal later in 2016. This will incorporate approximately a whole year of underground face sampling, results of intensive detailed production optimization drilling being performed to increase confidence in vein selection for development, and the results of all underground drilling performed in 2015.

Table 7: Mineral Resources at Björkdal, Inclusive of Mineral Reserves, as of December 31, 2015

Category	Area	Tonnage (kt)	Au Grade (g/t)	Contained Au (koz)
Indicated Resources				
	Open Pit	2,822	1.56	142
	Underground	3,425	3.91	431
	Sub-total	6,247	2.85	573
	Stockpile	1,277	0.6	25
Total Indicated		7,524	2.47	598
Inferred Resources				
	Open Pit	1,118	1.37	49
	Underground	434	3.18	44
Total Inferred		1,552	1.86	93

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Mineral Resources are estimated using an average Au price of \$1,400/oz. and an exchange rate of 7.5 SEK/US\$.
4. Bulk density is 2.74 t/m³ for open pit and 2.71 t/m³ for underground.
5. High gold assays were capped to 20 g/t Au for open pit and 80 g/t Au for underground.
6. Interpolation was by inverse distance cubed utilizing diamond drill and reverse circulation samples.
7. Open pit Mineral Resources are estimated at a cut-off grade of 0.35 g/t Au, constrained by the pit design and the 2015 year end open pit digital terrain model.
8. Underground Mineral Resources are estimated at a cut-off grade of 1.00 g/t Au.
9. A nominal two metres minimum mining width was used to interpret veins using diamond drill, reverse circulation, and underground chip sampling.
10. Reported Mineral Resources are exclusive of previously mined underground development and stopes.
11. Stockpile Mineral Resources are estimated at a cut-off grade of 0.40 g/t Au and are based upon historical estimates supplemented by production data.
12. Numbers may not add due to rounding.
13. The Independent Qualified Person for the Björkdal Mineral Resource estimate is Tudosel Ciuculescu, P.Geo., RPA, who is a Qualified Person as defined by NI 43-101.

Table 8: Mineral Reserves at Björkdal, as of December 31, 2015

Category	Area	Tonnage (kt)	Au Grade (g/t)	Contained Au (koz)
Probable				
	Open Pit	2,740	1.27	112
	Underground	2,995	2.91	281
	Stockpile	1,277	0.6	25
Total Probable		7,012	1.85	418

Notes:

1. CIM definitions were followed for Mineral Reserves.
2. Open Pit Mineral Reserves are based on mine designs carried out on updated resource models, applying dilution of 30% and extraction of 90%. A cut-off grade of 0.4 g/t Au was applied.
3. Underground Mineral Reserves are based on the 2014 resource model, depleted for production through to December 31, 2015. Minimum mining widths of 3.0 m for stopes (after dilution) and 4.0 m for development were used. Dilution was applied by adding 0.5 m on each side of stopes, plus a factor of 15% for unplanned dilution. Extraction was assessed at 95%. A cut-off grade of 1.15 g/t Au was applied.
4. Stockpile Mineral Reserves are based on production records on accumulated incremental material from open pit and underground operations. An incremental cut-off grade of 0.4 g/t Au was used to accumulate the stockpile.
5. Mineral Reserves are estimated using an average long-term gold price of US\$1,200/oz, and an exchange rate of 7.5 SEK/US\$.

6. Tonnes and contained gold are rounded to the nearest thousand.
7. Totals may appear different from the sum of their components due to rounding.
8. The Independent Qualified Persons for the Björkdal Mineral Reserve estimate are Ian Weir, P.Eng., RPA, (for open pit reserves) and Jeff Sepp, P.Eng., RPA, (for underground reserves), who are Qualified Persons as defined by NI 43-101.

There was a net decrease of 14,000 oz Au in Probable Reserves for 2015 relative to 2014 due to production and the removal of certain blocks that are no longer deemed to be accessible for mining. This includes depletion of 52,000 oz against an addition of 38,000 oz (in the open pit and stockpile). This amounts to an exploration cost of \$24/oz Au added to Reserves. The costs and benefits associated with underground drilling and Resource and Reserve conversion will be reported at the time the Company delivers the new underground Resources.

Challacollo 2015 Mineral Resources

No new drilling or other significant Resource and Reserve work was conducted at Challacollo during 2015. For completeness, the 2014 Mineral Resource estimate is summarized in Table 9 below.

Table 9: Mineral Resources at Challacollo Silver Project as of December 31, 2015

Category	Tonnage (kt)	Au Grade (g/t)	Ag Grade (g/t)	Au (koz)	Ag (koz)
Measured	-	-	-	-	-
Indicated	4,700	0.32	200	48	30,200
Measured + Indicated	4,700	0.32	200	48	30,200
Inferred	1,600	0.31	134	16	6,900

Notes:

1. Mineral Resources estimated as of 31 December, 2014.
2. Mineral Resources stated according to CIM guidelines.
3. Totals may appear different from the sum of their components due to rounding.
4. Mineral Resources are estimated at a cut-off grade of 60 g/t Ag as interpreted and modeled using GEOVIA Surpac software.
5. A bulk density 2.45 t/m³ used as a base with adjustments based on barium, lead and zinc grades.
6. No capping of Ag grades has been applied due to low grade variability. Au grades have been capped at 3 g/t.
7. Numbers may not add due to rounding.
8. The Mineral Resource estimate was supervised by Michael Collins, P.Geo., who is a full-time employee of Mining Plus and a Qualified Person under NI 43-101.
9. Mineral Resources estimated using an Ag price of \$24/oz and an Au price of \$1,400/oz

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.

For Björkdal: The Mineral Resource Estimate was carried out under the supervision of Tudorel Ciuculescu, P.Geo., an employee of RPA and independent of Mandalay Resources Corporation. He is a "Qualified Person" for the purpose of National Instrument 43-101. The Mineral Reserve Estimate was carried out under the supervision of T Jeff Sepp, P.Eng. and Ian Wier, P. Eng., both employees of RPA and independent of Mandalay Resources Corporation. Both are Qualified Persons for the purpose of NI 43-101.

For Cerro Bayo: Normand Lecuyer., P. Eng. and Rosmery Julia Cardenas Barzola, MAusIMM (CP Geo), both of RPA and both Independent Qualified Persons under NI 43-101, conducted or reviewed the Mineral Reserve and Mineral Resource estimations reported here and have reviewed and approved the technical and scientific information on Cerro Bayo contained in this release.

For Costerfield: Peter Fairfield, Principal Consultant with SRK Consulting (Australasia) Pty Ltd; B.Eng. (Mining), FAusIMM (No: 106754), and a Qualified Person as defined in NI 43-101, conducted the Mineral Reserve estimation reported here and has reviewed and approved the Mineral Reserve information contained in this press release. Danny Kentwell M.Sc., B.Sc.Ap., FAusIMM, a full-time employee of SRK Consulting is a qualified person under NI 43-101 and is the Competent Person for the Augusta, Cuffley and Brunswick Mineral Resource Estimates.

For Challacollo: Michael Collins, P.Geo., a full time employee of Mining Plus and a Qualified Person under NI 43-101 supervised and takes responsibility for the Mineral Resource Estimate and has approved the technical and scientific information in the Challacollo section of this press release.

For further information:

Bradford Mills
Chief Executive Officer

Greg DiTomaso
Director of Investor Relations

Contact: 647.260.1566

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, 2015, 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.

