



Mandalay Resources Corporation Announces Production and Sales Results for the Second Quarter, 2015

TORONTO, ON, July 13, 2015 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) announced today its production and sales results for the second quarter, 2015.

Brad Mills, Chief Executive Officer of Mandalay, commented, "Mandalay's second quarter production and sales results remained steady, and within our planned annual guidance range. Costerfield continued to produce at or near record levels and Björkdal performed as planned as we move forward with the optimization strategy. Cerro Bayo production declined from the same quarter last year due to several factors including lower grades being processed in the period; several days of lost time due to electrical infrastructure damage as a result of strong wind conditions; and the strike action at the end of the quarter, which was resolved on July 1, 2015.

Our focus in the second half of the year is to continue to maintain the solid performance at Costerfield and begin the ramp-up of grade at Björkdal as the new assay lab opens, and starts to impact mining decisions. Our new optimization plan continues to be implemented, with our stated goal of margin expansion by producing more gold at a reduced cost per ounce. At Cerro Bayo we expect improved grades in the second half as new stoping areas open up at Delia SE."

Overall, the Company maintains its full year production guidance range of 167,000 to 185,000 gold equivalent ounces.

Saleable production for the three months ended June 30, 2015:

- The Company produced a total of 26,418 ounces ("oz") gold ("Au"), 842 tonnes ("t") antimony ("Sb") and 597,489 oz silver ("Ag"), representing a total of 40,717 oz of gold equivalent ("Au Eq.") production.
- Production at Costerfield (Australia) was 9,563 oz Au and 842 t Sb, a greater volume of Au and a slightly lower volume of Sb than in the second quarter of 2014. The overall increase in production was due to higher tonnages and grades mined and processed.
- Production at Cerro Bayo (Chile) was 5,361 oz Au and 597,489 oz Ag, lower than the year-ago quarter due to a combination of lower grades and lower production volumes than the prior period.
- Production at Björkdal (Sweden) was 11,494 oz Au. The Björkdal mine was acquired on September 9, 2014.

Saleable production for the six months ended June 30, 2015:

- The Company produced a total of 54,158 oz Au, 1,811 t Sb and 1,188,243 oz Ag, representing a total of 82,993 oz of Au Eq. production.
- Production at Costerfield was 19,979 oz Au and 1,811 t Sb, greater volume of Au and Sb than in the corresponding six months of 2014.
- Production at Cerro Bayo was 10,366 oz Au and 1,188,243 oz Ag.
- Production at Björkdal was 23,813 oz Au.

Table 1 – Second Quarter and Six Month Saleable Production for 2015 and 2014

Metal	Source	Three months to 30 June 2015	Three months to 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
Gold (oz)	Costerfield	9,563	7,256	19,979	15,171
	Cerro Bayo	5,361	6,823	10,366	12,103
	Björkdal	11,494	-	23,813	-
	Total	26,418	14,079	54,158	27,274
Antimony (t)	Costerfield	842	855	1,811	1,713
Silver (oz)	Cerro Bayo	597,489	741,382	1,188,243	1,484,951
Average quarterly prices:					
Gold US\$/oz		1,192	1,289		
Antimony US\$/t		8,602	9,602		
Silver US\$/oz		16.41	19.63		
Au Eq. (oz) ¹	Costerfield	15,638	13,628	32,505	28,019
	Cerro Bayo	13,585	18,111	26,675	35,169
	Björkdal	11,494	-	23,813	-
	Total	40,717	31,739	82,993	63,188

¹ Quarterly Au Eq. oz produced is calculated by multiplying the saleable quantities of Au, Ag, and Sb in the period by the respective average market prices of the commodities in the period, adding the three amounts to get a "total contained value based on market price", and then dividing that total contained value by the average market price of Au in the period. Average Au price in the period is calculated as the average of the daily LME PM fixes in the period, with price on weekend days and holidays taken of the last business day; average Sb price in the period is calculated as the average of the daily average of the high and low Rotterdam warehouse prices for all days in the period, with price on weekend days and holidays taken from the last business day; average Ag price in the period is calculated as the average of the daily London Broker's silver spot price for all days in the period, with price on weekend days and holidays taken from the last business day. The source for all prices is www.metalbulletin.com.

Sales for the three months ended June 30, 2015:

- The Company sold 27,308 oz Au, 899 t Sb, and 685,703 oz Ag, representing a total of 43,233 oz Au Eq.
- Costerfield sold 9,703 oz Au and 899 t Sb.
- Cerro Bayo sold 5,732 oz Au and 685,703 oz Ag.
- Björkdal sold 11,873 oz Au.

Sales for the six months ended June 30, 2015:

- The Company sold 55,965 oz Au, 1,680 t Sb, and 1,478,500 oz Ag, representing a total of 87,944 oz Au Eq.
- Costerfield sold 19,526 oz Au and 1,680 t Sb.
- Cerro Bayo sold 12,816 oz Au and 1,478,500 oz Ag.
- Björkdal sold 23,623 oz Au.

Table 2 – Second Quarter and Six Month Sales for 2015 and 2014

Metal	Source	Three months to 30 June 2015	Three months to 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
Gold (oz)	Costerfield	9,703	7,298	19,526	14,344
	Cerro Bayo	5,732	7,659	12,816	12,463
	Björkdal	11,873	-	23,623	-
	Total	27,308	14,957	55,965	26,807
Antimony (t)	Costerfield	899	879	1,680	1,503
Silver (oz)	Cerro Bayo	685,703	840,713	1,478,500	1,612,829
Average quarterly prices:					
Gold US\$/oz		1,192	1,289	-	-
Antimony US\$/t		8,602	9,602	-	-
Silver US\$/oz		16.41	19.63	-	-
Au Eq. (oz) ¹	Costerfield	16,190	13,847	31,216	25,604
	Cerro Bayo	15,170	20,460	33,105	37,493
	Björkdal	11,873	-	23,623	-
	Total	43,233	34,307	87,944	63,097

¹Quarterly Au Eq. oz sold is calculated by multiplying the saleable quantities of Au, Ag, and Sb in the period by the respective average market prices of the commodities in the period, adding the three amounts to get a "total contained value based on market price", and then dividing that total contained value by the average market price of Au for the period. The source for all prices is www.metalbulletin.com with price on weekend days and holidays taken of the last business day.

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, Sweden and producing and exploration projects 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.

Forward-Looking Statements:

This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the Company's production of gold, silver and antimony for the 2015 fiscal year. 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.