



## **Mandalay Resources Corporation Announces Production and Sales Results for the First Quarter, 2015**

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

Brad Mills, Chief Executive Officer of Mandalay, commented, "Mandalay's first quarter production and sales results were substantially stronger than the same quarter last year, and the operations are on track to achieve our 2015 production and sales guidance. These results reflect the acquisition and integration of the Björkdal gold mine as well as the success of our organic growth projects at Cerro Bayo and Costerfield."

Mr. Mills continued, "Björkdal production was slightly greater than in the previous quarter as the operation continues to lay the groundwork for improvements that are at the core of our value-add plan. We have completed arrangements for a new assay lab located near the mine, which will provide for a large volume of high quality gold assays with a rapid turnaround time. When commissioned early in the third quarter, this facility, together with improvements we are making in mapping, logging and sampling practice, is expected to support best-practice grade control which will allow us to improve and achieve more consistent grade performance from the underground and open pit mines. The recently published independent NI 43-101 Technical Report for the property estimates a larger and higher-grade Mineral Reserve than previous estimates. We will develop a detailed production plan incorporating this new reserve estimate. Once this new mine plan is implemented, together with improvements in mining practice, we expect to see progressive improvements in quarterly gold production. Our investigation into optical ore sorting methods to further increase the grade of mill feed continues to generate encouraging results, and a thorough metallurgical survey of the plant is underway, which we expect will identify additional improvement opportunities."

"At Cerro Bayo, production was lower than in same period in the previous year. This is primarily the result of planned lower mine grades produced in the period as we near the end of mining in the Fabiola vein and transition to the Delia SE mine around mid-year. The 1,400 tonne per day mining rate to which we expanded in 2014 is firmly established now, and we expect the mine to deliver our production guidance for the full year. The Costerfield mine continues to perform admirably as we consolidate production into the N-Lode and Cuffley lodes with the mine-out of W-lode."

### **Saleable production for the three months ended March 31, 2015:**

- The Company produced a total of 27,740 ounces (“oz”) gold (“Au”), 969 tonnes (“t”) antimony (“Sb”) and 590,755 oz silver (“Ag”), representing a total of 42,277 oz of gold equivalent (“Au Eq.”) production.
- Production at Costerfield (Australia) was 10,416 oz Au and 969 t Sb, higher volumes of both metals than in the first quarter of 2014. The production increase was due to higher tonnages and grades mined and processed as production from the Cuffley lode increased.
- Production at Cerro Bayo (Chile) was 5,005 oz Au and 590,755 oz Ag, lower than the year-ago quarter, mainly due to lower grades of ore mined and processed.
- Production at Björkdal (Sweden) was 12,319 oz Au, higher than the previous quarter, which was the first complete quarter under Mandalay ownership.

**Table 1 – First Quarter Saleable Production for 2015 and 2014**

Metal	Source	Three months to 31 March 2015	Three months to 31 March 2014
Gold (oz)	Costerfield	10,416	7,915
	Cerro Bayo	5,005	5,280
	Björkdal	12,319	-
	<b>Total</b>	<b>27,740</b>	<b>13,195</b>
Antimony (t)	Costerfield	<b>969</b>	<b>858</b>
Silver (oz)	Cerro Bayo	<b>590,755</b>	<b>743,569</b>
<b>Average quarterly prices:</b>			
Gold US\$/oz		1,218	1,292
Antimony US\$/tonne		8,109	9,758
Silver US\$/oz		16.67	20.47
Au Eq. (oz) <sup>1</sup>	Costerfield	16,867	14,391
	Cerro Bayo	13,091	17,058
	Björkdal	12,391	-
	<b>Total</b>	<b>42,277</b>	<b>31,449</b>

<sup>1</sup> 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](http://www.metalbulletin.com).

### **Sales for the three months ended March 31, 2015:**

- The Company sold 28,657 oz Au, 781 t Sb, and 792,797 oz Ag, representing a total of 44,711 oz Au Eq. The amounts of all three metals and the total gold equivalent sold were greater than in the same quarter one year ago for the Company as well as for each mine.
- Costerfield sold 9,823 oz Au and 781 t Sb.

- Cerro Bayo sold 7,084 oz Au and 792,797 oz Ag.
- Björkdal sold 11,750 oz Au.

**Table 2 – First Quarter Sales for 2015 and 2014**

Metal	Source	Three months to 31 March 2015	Three months to 31 March 2014
Gold (oz)	Costerfield	9,823	7,046
	Cerro Bayo	7,084	4,804
	Björkdal	11,750	-
	<b>Total</b>	<b>28,657</b>	<b>11,850</b>
Antimony (t)	Costerfield	<b>781</b>	<b>624</b>
Silver (oz)	Cerro Bayo	<b>792,797</b>	<b>772,116</b>
<b>Average quarterly prices:</b>			
Gold US\$/oz		1,218	1,292
Antimony US\$/tonne		8,109	9,758
Silver US\$/oz		16.67	20.47
Au Eq. (oz) <sup>2</sup>	Costerfield	15,009	11,757
	Cerro Bayo	17,918	17,033
	Björkdal	11,750	-
	<b>Total</b>	<b>44,711</b>	<b>28,790</b>

<sup>2</sup>Quarterly 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](http://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](http://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.*