



## **MANDALAY RESOURCES**

### **MANDALAY RESOURCES CORPORATION REPURCHASES 2% NSR ROYALTY INTEREST ON ITS CERRO BAYO SILVER-GOLD MINE FROM COEUR MINING**

TORONTO, ON, March 31, 2016 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) is pleased to announce that, effective March 31, 2016, its Chilean subsidiary, Compania Minera Cerro Bayo Ltda., has repurchased the 2% Net Smelter Return ("NSR") royalty on silver and gold production from the Company's Cerro Bayo mine held by a subsidiary of Coeur Mining, Inc. As a result of this transaction, the royalty has been cancelled. Total consideration was US\$4 million and 2.5 million Mandalay shares issued at the price of CAD\$0.89 per share.

Mark Sander, President and CEO of Mandalay, commented, "We are pleased to conclude this transaction with Coeur Mining, which enables Mandalay to receive the full economic benefits of continuing production at Cerro Bayo for its shareholders. We believe this acquisition to be a prudent use of capital at this time and welcome Coeur as a shareholder going forward."

Coeur's royalty was established by the sales and purchase agreement between Mandalay and Coeur for the Cerro Bayo mine, which closed on August 10, 2010. Mandalay was obligated to pay Coeur a 2% NSR royalty on gold sales over a cumulative 50,000 ounces and silver sales over a cumulative 5 million ounces from the property. These triggers were met in 2013 for silver and in 2014 for gold; they have been paid quarterly ever since. With the acquisition of the royalty from Coeur by Minera Cerro Bayo, the obligation will be extinguished and no further payments will be due (other than the royalty payment in respect of 1<sup>st</sup> quarter 2016 production) in respect of future periods.

#### **For further information:**

Mark Sander  
President and Chief Executive Officer

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Director of Investor Relations

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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, 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. 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 30, 2016, 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.*