MANDALAY RESOURCES PROVIDES 2015 YEAR-END EXPLORATION UPDATES FOR ITS COSTERFIELD, BJÖRKDAL AND CERRO BAYO MINES

TORONTO, ON, January 19, 2016 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) is pleased to provide 2015 year-end exploration updates for all three of its mines. Figures accompanying this release can be found in an exploration presentation posted on the Company's website. It can be accessed here:
http://www.mandalayresources.com/investor-presentations/#Technical_Presentations

Brad Mills, CEO of Mandalay, commented, "Our exploration programs across the Company once again continued on track to approximately replace reserves with our end-of-2015 resource and reserves update expected to be released in mid-February, 2016. Exploration at all sites continued to identify new quality target areas for future exploration. At Costerfield, exciting new intercepts suggest that at least three branches of the Cuffley lode occur below the King Cobra fault in the vicinity of our underground infrastructure; all three contain high gold and/or antimony grades and we are optimistic that further drilling planned for 2016 will outline a potentially significant new resource. Intercepts obtained at the Margaret and Brunswick targets have confirmed the presence of mineralized veins and improved our understanding of the structural settings for potential mineralization in these areas. Finally, an initial round of shallow reverse circulation drilling to test the large top-of-bedrock gold and antimony anomaly at West Costerfield has demonstrated the presence of an extensive system of mineralized structures, which may be followed up by core drilling in 2016."

Mr. Mills continued, "At Cerro Bayo, drilling under Laguna Verde continued to reveal the southeast and depth limits of the Coyita vein, with a gap remaining in the middle of the lake that has proved difficult to drill from currently accessible locations. New intercepts on the Yasna vein under Laguna Verde have further defined and slightly enlarged this ore shoot as well. We expect modest increases in resources on both these veins at the year-end 2015 resources and reserves update. Our first hole to test below the northeastern half of the lake intersected a new vein called Victoria. While this wide intercept did not contain economic grades, it indicates that significant structures exist to the east of the current Laguna Verde vein system that were active at the time of mineralization."

Mr. Mills concluded, "At Björkdal, drilling has pushed the limits of underground mineralization some 200 m to the north and up to 100 m to east and northeast. We expect this work will translate into a significant increase in underground resources and reserves in our year-end reserve and resource update. Furthermore, drilling results in and around the southeast part of the open pit suggests we will be able to expand the pit in this area. This year's core drilling has also confirmed the validity of the Nylunds resource model that had previously only been defined by historic RC drilling. We expect the Nylunds resource to convert to a new open pit reserve as a result. Finally, a new mineralized zone was intercepted in the Storheden area some 700 m north of the current Björkdal mine. This intercept, which is anomalously wide for the district, represents a new high quality exploration target for the coming year."

Costerfield

Drilling, Sampling, and Assaying

During the second half of 2015, Mandalay drilled 11,525 metres ("m") of diamond core in 29 holes on Cuffley, Sub-King Cobra, Margaret, Brunswick and Corridor projects (Figure 1). In addition, the Company completed 1,781 m of on-vein operating development and associated sampling of the N- and Cuffley lodes. Thirty-eight reverse circulation ("RC") drill holes totaling 2,780 m were drilled at the West Costerfield bedrock geochemical anomaly. Diamond drill core and RC cuttings were logged and sampled by Costerfield geologists, who also mapped and sampled the development advances. All samples were sent to Onsite Laboratory in Bendigo, Victoria, Australia, (with the exception of the West Costerfield and Margaret drilling samples that were sent to ALS in Orange, NSW, 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 and blanks with drill and face samples submitted for assay. Standard reference materials have been certified by Geostats Pty Ltd. (see March 31, 2015, Technical Report entitled "Costerfield Operation, Victoria, Australia NI 43-101 Report", available on SEDAR (www.sedar.com), which contains a complete description of drilling, sampling, and assaying procedures).

Drill Results

Assay results are summarized in Tables 1 through 6 below; they are displayed in geologic context in Figures 2 through 7.

Cuffley Main (Table 1; Figure 2)

- Four new intercepts were obtained in the Cuffley Main zone, incidental to testing the Corridor target. The highest grade of these, COR003, intercepted 0.045 m at 14.4 grams per tonne ("g/t") gold ("Au") and 2.3% antimony ("Sb").

- These intercepts were generated while drilling to reach the primary target in the Corridor zone below the Tiger Fault and are not expected to significantly change the estimated resources in the Cuffley Main zone as they penetrated the Main zone within the boundaries of already-Indicated Resource.

- However, they do increase the level of confidence for mine planning in the area.

Table 1: Significant new drill intercepts on Cuffley Main

Hole ID	Hole Completion Date	Intercept Easting (Mine Grid, m)	Intercept Northing (Mine Grid, m)	Elevation (m)	True Width* (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)
COR003	18/08/2015	15199	4916	956	0.04	14.4	2.3	0.03	680
COR003	18/08/2015	15181	4920	942	0.43	1.3	0.0	0.67	680
COR003	18/08/2015	15179	4920	940	0.20	2.8	0.0	0.11	680
COR004A	11/11/2015	15133	4575	898	1.11	4.5	0.0	2.85	721

* True width is preliminary estimate only and may not reflect final true width used in resource estimate

** AuEq(g/t) = Au(g) + Sb(%) x $\frac{\text{Price per 10 Sb(kg)} \times \text{Sb Recovery(\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}$

Cuffley Deeps (Table 2; Figure 3)

- Two drill holes were completed with the aim of increasing the confidence in the geometry and the extent of the high grade mineralization found at the top of the Cuffley Deeps zone. These holes were successful in delineating the southern boundary of the high grade zone and proving that the grade continues to the north.

Table 2: Significant new drill intercepts on Cuffley Deeps

Hole ID	Hole Completion Date	Intercept Easting (Mine Grid, m)	Intercept Northing (Mine Grid, m)	Elevation (m)	True Width* (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)
AD130	7/10/2015	15189	5068	848	0.73	0.4	0.0	0.16	171
AD131	16/11/2015	15181	5102	847	2.75	16.6	19.4	55.9	163

* True width is preliminary estimate only and may not reflect final true width used in resource estimate

** AuEq(g/t) = Au(g) + Sb(%) x $\frac{\text{Price per 10 Sb(kg)} \times \text{Sb Recovery(\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}$

Sub King Cobra (Table 3, Figure 4)

- Three high grade structural zones have been identified in drilling beneath the King Cobra fault system (Eastern, Central and Western). The vein composition within these mineralized zones vary from high stibnite concentrations (54.8 g/t Au and 37.2% Sb) in the Eastern structure to visible coarse gold in quartz (3,928 g/t Au and 0.02% Sb) within the Central and Western.

- Assaying and interpretation of the "Eastern" mineralized zone has resulted in significant intercepts in CSK009 of 0.77 m at 2.6 g/t Au and 3.8% Sb, 1.07 m at 6.4 g/t Au and 4.1% Sb.

- Hole CSK007 identified the "Central" Zone as a wide, 8 m zone consisting of quartz-stibnite veins with visible gold in two veins at ~374 m (0.071 m at 119.4 g/t Au and 7.0% Sb, 1.39 m at 136.8 g/t Au and 1.2% Sb).

- The "Western" mineralized zone is located 120 m to the west of the central zone in CSK007 (2.37 m @ 47.5 g/t Au). It consists of a 1.75 m fault zone, containing minor quartz-gold fragments.

- These three zones represent high priority drill targets for follow up in 2016.

Table 3: Significant new drill intercepts on Sub King Cobra

Hole ID	Hole Completion Date	Intercept Easting (Mine Grid, m)	Intercept Northing (Mine Grid, m)	Elevation (m)	True Width * (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)	Target
CSK009	5/11/2015	15193	4616	621	2.36	0.95	0.8	2.48	551	Eastern
CSK009	5/11/2015	15190	4618	617	0.77	2.60	3.8	4.43	551	Eastern
CSK009	5/11/2015	15188	4620	615	1.07	6.45	4.1	8.83	551	Eastern
CSK007	12/10/2015	15127	4818	546	0.08	81.0	3.8	3.89	520	Central

CSK008	16/09/2015	15128	4941	542	0.11	41.4	8.6	3.69	480	Central
CSK008	16/09/2015	15091	4964	492	0.57	9.9	0.0	3.16	480	Central
CSK007	12/10/2015	15097	4817	504	0.07	119.4	7.0	5.25	520	Central
CSK007	12/10/2015	15095	4817	502	1.39	136.76	1.2	107.57	520	Central
CSK008	16/09/2015	15116	4948	525	0.28	19.4	14.2	7.58	480	Central
CSK007	12/10/2015	15020	4813	404	2.37	47.51	0.0	47.51	520	Western
CSK007	12/10/2015	15089	4816	493	0.43	1.8	1.4	1.08	520	Unnamed
CSK008	16/09/2015	15120	4946	531	0.08	0.5	14.3	1.23	480	Unnamed
CSK008	16/09/2015	15112	4951	520	0.08	15.8	6.8	1.39	480	Unnamed
CSK008	16/09/2015	15099	4959	502	0.28	1.1	2.9	1.09	480	Unnamed
NSK001	14/07/2015	15243	4838	824	0.06	39.7	51.3	4.74	200	Unnamed

* True width is preliminary estimate only and may not reflect final true width used in resource estimate

** AuEq(g/t) = Au(g) + Sb(%) x $\frac{\text{Price per 10 Sb(kg)} \times \text{Sb Recovery(\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}$

Margaret (Table 4, Figure 5)

- Three holes have been drilled on the Margaret target for a total of 1,274 m. The drilling program resulted in shallow intercepts ranging from 75 to 100 m downhole on the "Margaret East" target zones. MM011 displayed visible gold in core and returned grades of 0.14 m at 46.5g/t Au and 3.5% Sb. MM010 was also successful and intercepted high grades in "Margaret East": 0.19 m at 5.8 g/t Au and 9.4% Sb; and 0.1 m at 5.6 g/t Au and 6.7% Sb.

- Follow-up drilling is anticipated in 2016.

Table 4: Significant new drill intercepts on Margaret

Hole ID	Hole Completion Date	Intercept Easting (Mine Grid, m)	Intercept Northing (Mine Grid, m)	Elevation (m)	True Width* (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)
MM009	5/11/2015	15038	3299	1134	0.09	7.8	0.0	0.39	400
MM009	5/11/2015	15139	3298	1055	0.10	1.4	0.4	0.12	400
MM009	5/11/2015	15193	3298	1013	0.06	1.4	0.0	0.05	400
MM010	4/12/2015	15180	3101	1121	0.85	3.9	0.9	2.73	553
MM010	4/12/2015	15182	3101	1123	0.17	5.8	9.4	2.38	553
MM010	4/12/2015	15183	3101	1124	0.06	1.2	1.8	0.15	553
MM010	4/12/2015	15184	3101	1125	0.10	3.7	0.0	0.20	553
MM010	4/12/2015	15220	3100	1156	0.07	1.3	1.2	0.15	553
MM010	4/12/2015	15238	3100	1171	0.12	1.0	0.0	0.07	553
MM010	4/12/2015	14933	3106	913	0.09	2.3	0.0	0.12	553
MM010	4/12/2015	14962	3105	937	0.11	1.8	0.0	0.12	553
MM011	23/12/2015	15248	2901	1184	0.21	0.9	0.0	0.11	320
MM011	23/12/2015	15248	2901	1184	0.78	1.0	0.0	0.45	320
MM011	23/12/2015	15197	2909	1141	0.94	13.1	1.7	8.69	320

* True width is preliminary estimate only and may not reflect final true width used in resource estimate

** AuEq(g/t) = Au(g) + Sb(%) x $\frac{\text{Price per 10 Sb(kg)} \times \text{Sb Recovery(\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}$

Corridor (Table 5, Figure 2)

- Five holes totaling 3,545 m have been drilled in the mineralized Corridor program.

- Four of the five holes drilled on the target confirmed a sub-vertical structure approximately 350 m to the west of the Cuffley Deposit. This newly identified structure has a confirmed strike length of 500 m and is open along strike to the north and south. Mineralization consists of brecciated quartz with pyritic matrix that bears strongly anomalous Au and Sb.

Table 5: Significant new drill intercepts on Corridor

Hole ID	Hole Completion Date	Intercept Easting (Mine Grid, m)	Intercept Northing (Mine Grid, m)	Elevation (m)	True Width* (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)
COR001	20/07/2015	15018	5284	794	0.10	3.0	0.0	0.17	851
COR003	18/08/2015	14750	4990	624	0.22	2.0	0.0	0.24	680
COR004A	11/11/2015	14981	4600	785	0.11	1.1	0.1	0.08	721
COR005	27/11/2015	14786	4357	629	0.06	1.5	2.4	0.20	724

* True width is preliminary estimate only and may not reflect final true width used in resource estimate

** AuEq(g/t) = Au(g) + Sb(%) x $\frac{\text{Price per 10 Sb(kg)} \times \text{Sb Recovery(\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}$

Brunswick (Table 6, Figure 5)

- During November - December 2015, 3 diamond drill holes totalling 1,172 m were drilled at Brunswick, targeting the northern extension of mineralization and a continuation of the lode at depth below the Brunswick pit.

- BD238 and B240 confirmed the continuation of the Brunswick structure at depth and to the north, respectively; however, the structure intercepted in these holes only contains trace mineralization.

- BD239 has proven up the continuation of mineralization below the south end of the Brunswick pit returning assays of 0.3 m at 8.1 g/t Au and 0.6% Sb.

- While the 2015 program bounded the upside potential of Brunswick to the north, should metal prices and economic analysis warrant, a follow-up program to infill the southern area around and below BD239 plus other sparsely drilled gaps in the lode is possible.

Table 6: Significant new drill intercepts on Brunswick

Hole ID	Hole Completion Date	Intercept Easting (Mine Grid, m)	Intercept Northing (Mine Grid, m)	Elevation (m)	True Width* (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)
BD238	13/11/2015	14812	5890	972	0.30	0.1	0.0	0.00	372
BD239	23/11/2015	14774	5760	962	0.76	4.2	0.3	1.33	295
BD240	2/12/2015	14830	6063	1054	0.11	0.7	0.0	0.04	270

* True width is preliminary estimate only and may not reflect final true width used in resource estimate

** AuEq(g/t) = Au(g) + Sb(%) x $\frac{\text{Price per 10 Sb(kg)} \times \text{Sb Recovery(\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}$

West Costerfield (Table 7, Figure 6)

- A total of 38 holes totaling 2,780 m of RC drilling was undertaken during the second half of 2015 in order to confirm the bedrock geochemical anomaly found in the 2014 auger drilling program.

- Results from the RC drilling confirmed bedrock mineralization in the anomaly. The identification of the geochemical anomaly represented an almost entirely untested, near surface mineralized system.

- The program generated five low grade intercepts, one of 4 m width and the others of 1 m each.

- Correlations in the district suggest that RC results tend to underestimate grades found in the same vein by neighbouring core holes, suggesting that follow-up of the mineralized RC intercepts by core holes may be warranted in the future.

Table 7: Significant new drill intercepts on West Costerfield

Hole ID	Hole Completion Date	Intercept Easting (Mine Grid, m)	Intercept Northing (Mine Grid, m)	Elevation (m)	Down Hole Length (m)	Gold Grade (g/t)	Antimony Grade (%)	Total Hole Depth (m)
WCRC004	4/09/2015	13878	7227	1230	2.0	0.61	0.004	72
WCRC006	8/09/2015	13950	7205	1203	1.0	0.87	0.026	72
WCRC006	8/09/2015	13934	7207	1180	2.0	0.66	0.005	72
WCRC008	10/09/2015	14023	7191	1184	1.0	0.80	0.005	72
WCRC011	11/09/2015	13878	7226	1208	1.0	1.33	0.006	72
WCRC014	21/09/2015	13671	6975	1185	3.0	0.82	0.005	72
WCRC014	21/09/2015	13665	6976	1176	1.0	0.83	0.004	72
WCRC014	21/09/2015	13660	6978	1167	4.0	1.16	0.006	72
WCRC022	28/09/2015	13694	6951	1175	1.0	0.87	0.005	72
WCRC022	28/09/2015	13701	6946	1165	1.0	0.63	0.000	72
WCRC024	30/09/2015	13662	6763	1204	1.0	0.99	0.006	72
WCRC028	29/09/2015	13687	6753	1163	1.0	0.83	0.005	72
WCRC030	1/10/2015	13475	6827	1210	1.0	0.62	0.000	72
WCRC032	9/10/2015	13523	6569	1204	1.0	0.97	0.000	72
WCRC034	5/10/2015	13611	6568	1197	4.0	0.93	0.005	72
WCRC034	5/10/2015	13610	6569	1196	1.0	1.51	0.006	72
WCRC034	5/10/2015	13590	6576	1170	1.0	0.26	0.288	72
WCRC035	5/10/2015	13657	6551	1204	1.0	0.57	0.005	72
WCRC037	7/10/2015	13611	6570	1197	2.0	0.59	0.005	72
WCRC038	8/10/2015	13562	6553	1192	3.0	0.53	0.005	72
WCRC038	8/10/2015	13588	6540	1153	1.0	0.50	0.004	72

* True width is preliminary estimate only and may not reflect final true width used in resource estimate

** AuEq(g/t) = Au(g) + Sb(%) x $\frac{\text{Price per 10 Sb(kg)} \times \text{Sb Recovery(\%)}}{\text{Price per 1 Au(g)} \times \text{Au Recovery (\%)}}$

Cerro Bayo

Drilling, Sampling and Assaying

A total of 14,007 m of NX and BX diamond drill core were produced from 34 holes at Cerro Bayo during the second half of 2015. The bulk of this meterage was drilled from surface platforms on the margins of Laguna Verde, while the rest was completed from underground stations in the Dagny and Yasna mines. All drill holes were directionally surveyed by standard techniques with a downhole instrument.

Drill core was logged and sampled by staff geologists and all core samples (including blanks, standards and duplicates) were submitted to the on-site assay laboratory of Compañia Minera Cerro Bayo. The Cerro Bayo assay laboratory was audited in 2011 by SGS Lakefield Research Ltd. and routinely sends check samples to the ALS laboratory (ISO 9001:2008 and ISO/IEC 176025:2005 certified) in La Serena, Chile, following QA/QC practices established by the parent company, Mandalay Resources. (Please see the Company's previously filed document, 'Technical report on the Cerro Bayo project, Region XI (Aysèn) Chile', dated March 28, 2014, and available on SEDAR (www.sedar.com), for a full description of the drilling, logging, assaying and estimation processes, including data verification procedures).

Drill Results

The following tables and figures display mineralized intercepts obtained through December 31, 2015, correlated by vein according to the latest structural interpretation. Such structural interpretation may be subject to revision as more drilling data are acquired.

Coyita vein (Table 8, Figures 9,10,11)

27 new drill holes completed during the second six months of 2015 indicate that the Coyita vein is a strongly mineralized fissure essentially all the way across Laguna Verde to the district-scale fault structure of the Falla Cañadón Verde (Figure 9). The mineralization in the vein largely has been closed off in both its SE and NW extents, with a few gaps remaining on the extreme southern end and the central section under the lake to be drilled (Table 8, Figures 10 and 11). Localized, significant grade has been recognized in subordinate branch veins lying to the west of the Coyita vein. A new vein was intersected far to the east of the Coyita, dubbed the 'Victoria' vein (Figure 9). This latter feature was not well-mineralized in this initial intercept, but the characteristics of hydrothermal alteration and gangue mineralogy encourage further drill testing at higher structural levels and along strike.

Table 8: Summary of mineralized intercepts correlated to the Coyita vein

Hole ID	Hole Completion Date	Total Hole Depth (m)	Intercept UTM_E	Intercept UTM_N	Intercept Elev. (m)	From (m)	To (m)	Length (m)	True Width (m)	Gold Grade (g/t)	Silver Grade (g/t)
DLV15-026	6/22/2015	368.60	272334.81	4840648.75	-33.65	319.18	323.5	4.32	2.51	1.04	45
DLV15-027	8/2/2015	379.35	271990.07	4841129.09	126.18	360.3	360.88	0.58	0.4	0.96	467
DLV15-028	7/12/2015	179.95	271733.41	4841459.28	125.35	162.7	167.35	4.65	2.02	0.68	222
DLV15-029	7/14/2015	368.15	272348.741	4840600.51	-45.989	346.7	349.9	3.2	2.1	3.78	896
DLV15-031	7/19/2015	293.80	271778.69	4841459.28	36.02	260.01	262.77	2.76	1.1	0.45	23
DLV15-032	8/19/2015	390.80	272343.63	4840623.07	-78.12	369.7	371.05	1.35	0.78	4.17	514
DLV15-033	7/29/2015	403.90	272307.84	4840690.62	-60.36	357.91	358.95	1.04	0.67	6.28	115
DLV15-035	8/25/2015	437.60	272016.06	4841092.76	92.83	387.6	388.2	0.6	0.33	0.33	133
DLV15-036	8/15/2015	402.00	272284.99	4840730.61	-71.47	387.03	388.55	1.52	1.11	1.08	102
DLV15-037	8/30/2015	499.60	272135.17	4840990.9	15.94	407.16	409.07	1.91	1.16	0.66	21
DLV15-038	9/2/2015	158.80	271718.92	4841466.31	160.32	131.3	131.6	0.3	0.19	0.49	10
DLV15-039	9/16/2015	351.05	271954.89	4841187.97	96.7	330.04	332.72	2.68	2.11	1.03	287
DLV15-041	10/12/2015	364.50	272257.12	4840780.9	-65.22	345.52	348.15	2.63	1.48	2.29	149
DLV15-042	9/20/2015	395.00	272364.28	4840581.84	-62.88	370.68	373.11	2.43	1.37	3.69	194
DLV15-043	9/30/2015	304.60	271912.2	4841182.3	148.18	290.4	291.121	0.81	0.66	5.58	1324
DLV15-044	9/30/2015	470.00	272365.31	4840609.56	-103.89	396.48	397.07	0.59	0.3	15.22	347
DLV15-045	10/16/2015	477.85	272131.77	4840990.88	-10.77	425.86	428.35	2.49	1.5	1.44	219
DLV15-047	10/23/2015	531.00	272095.08	4840970.38	96.29	490.31	490.75	0.44	0.27	3.41	410
DLV15-048	10/17/2015	431.00	272411.27	4840555.99	-89.7	403.54	406.7	3.16	1.34	10.18	1308
DLV15-049	11/5/2015	523.60	272113.68	4840990.02	75.15	502.27	504.25	1.98	1.26	3.67	1040
DLV15-050	11/6/2015	502.25	NO VEIN								
DLV15-051	11/19/2015	405.70	NO VEIN								
DLV15-053	11/26/2015	350.50	272321.09	4840597	-19.78	328.85	329.35	0.5	0.35	1.84	598
DLV15-055	11/26/2015	378.05	271969.7	4841149.64	133.95	340.81	341.15	0.34	0.25	0.05	1
DLV15-057	12/13/2015	373.80	272288.69	4840654	66.94	224.89	227.02	2.13	1.35	0.31	49
DLV15-058	12/13/2015	560.60	272109.56	4840961.98	62.17	505.58	509.6	4.02	2.32	6.8	811
DLV15-059	12/9/2015	452.00	272374.66	4840604.07	-90.15	384.48	386.2	1.72	0.81	3.11	164

Yasna vein (Table 9, Figure 12)

Three new infill drill holes on the Yasna vein largely confirm that the mineralized zone has been closed off and remains approximately 200 m long by 70 m high, down-dip. Minor increases in the size of the shoot could be generated by more infill drilling, but Mandalay has decided to wait to complete this work until excavation of a nearby drill station makes the project cheaper and more cost effective.

Table 9: Summary of Mineralized Intercepts Correlated with the Yasna Vein System

Hole ID	Hole Completion Date	Total Hole Depth (m)	Intercept UTM_E	Intercept UTM_N	Intercept Elev. (m)	From (m)	To (m)	Length (m)	True Width (m)	Gold Grade (g/t)	Silver Grade (g/t)
DLV15-040	9/30/2015	515.20	271863.2	4840817.5	54.54	424.66	425.23	0.57	0.53	0.73	208
DLV15-046	11/4/2015	440.65	271804.19	4840885.35	99.55	425.12	426.78	1.66	1.51	0.3	50
DLV15-034	8/28/2015	507.15	271815.26	4840827.97	43.36	391.76	395.3	3.54	3.44	1.04	109

Kasia vein (Table 10, Figure 13)

Five new drill intercepts were obtained on the Kasia vein, in the southern sector where the Kasia and Yasna systems appear to converge. Some remarkable grades were obtained from veins lying between the Kasia fissure and the Coyita vein, which may represent a step-over or linking system between the two named veins, similar in orientation to the Yasna inflection (drill hole DLV15-054; Figure 9).

Table 10: Summary of Mineralized Intercepts Correlated to the Kasia Vein System

Hole ID	Hole Completion Date	Total Hole Depth (m)	Intercept UTM_E	Intercept UTM_N	Intercept Elev. (m)	From (m)	To (m)	Length (m)	True Width (m)	Gold Grade (g/t)	Silver Grade (g/t)
DLV15-034	8/28/2015	507.15	271896.19	4840888.15	38.3	494.09	494.95	0.86	0.86	1.84	320
DLV15-040	9/30/2015	515.20	271920.77	4840853.59	56.43	492.53	493.23	0.7	0.7	0.17	34
DLV15-054	11/23/2015	413.00	272060.85	4840689.9	-7.96	367.2	367.6	0.4	0.23	0.2	0.22
DLV15-056	12/1/2015	389.00	272070.12	4840632.04	-16.84	373.7	374.6	0.9	0.56	0.63	165
DLV15-052	11/16/2015	391.60	272085.17	4840671.12	48.64	312.52	312.91	0.39	0.25	0.33	381

Björkdal

Drilling, Sampling and Assaying

All the surface, and the majority of the underground exploration diamond drilling were conducted by third party contractors, producing WL66-, NQ2- and WL76-sized core (50.7 mm, 50.6 and 57.5 mm diameter core, respectively). During the period from July 1, 2015, to December 31, 2015, 21 diamond core drill holes totalling 3,098 m were drilled to infill and extend open pit resources; 26 core holes for 6,768 m were drilled to infill and extend underground resources; 17 core holes totalling 2,875 m were drilled to confirm and extend the historic resource at the near-mine Nylunds Deposit; and 12 core holes for 2,111 m were drilled to test targets within the near-mine exploration tenements. All diamond drill hole collars are surveyed. Downhole surveys are also carried out to record hole azimuth and dip.

Diamond core samples were logged by Mandalay geologists on-site. Assaying of Björkdal samples was completed at CRS Minlab Oy (CRS) in Kempele, Finland. Whole core samples were sent directly to the independent laboratory for sample preparation and assaying. Assaying was conducted utilizing the LeachWELL process. Our rigorous QA/QC program included the use of

standard reference samples, blanks, duplicates, repeats, and internal laboratory quality assurance procedures. More details on the drilling, logging, sampling, and assaying procedures are contained in the Technical Report "Mandalay Resources Corporation Technical Report on the Björkdal Gold Mine, Sweden" filed March 31, 2015 and available on SEDAR (www.sedar.com).

Drill Results

Underground (Table 11, Figures 14 and 15)

Underground diamond drilling at Björkdal intercepted many new economic gold-bearing veins (Table 11). These new intercepts come from the Lake zone, Lake zone north, Central zone and Main zone (Figure 15). They serve to push the limits of continuous mineralization 200 m to the north and up to 100 m to the northeast and east of previously interpreted limits; mineralization remains open in those directions.

Table 11: Significant Björkdal Underground Drill Results

Hole ID	Hole Completion Date	Total Hole Depth (m)	Intercept Easting (MG)	Intercept Northing (MG)	Intercept RL (MG)	Drilled Width (m)	Intercept Angle (°)	True Width (m)	Au Grade (g/t)
DDU2015-020	12/05/2015	281	1319.872	1799.43	-375.399	1.8	42	1.16	4.85
DDU2015-020			1245.075	1861.744	-392.608	0.35	40	0.18	18.40
DDU2015-021	24/05/2015	317	1361.426	1776.265	-387.608	2.05	47	1.46	4.32
DDU2015-021			1349.392	1790.654	-395.498	0.35	15	0.03	10.70
DDU2015-021			1311.714	1833.701	-420.414	0.25	60	0.18	36.70
DDU2015-021			1233.996	1915.041	-471.812	0.35	72	0.31	33.40
DDU2015-021			1230.19	1918.819	-474.331	2.7	55	2.18	2.52
DDU2015-021			1222.474	1926.421	-479.436	2.55	73	2.42	5.09
DDU2015-022	27/06/2015	312	1472.816	1701.949	-397.425	1.9	18	0.53	8.66
DDU2015-022			1535.81	1692.907	-436.392	1.75	21	0.57	7.89
DDU2015-022			1570.253	1688.21	-457.464	0.35	30	0.12	31.50
DDU2015-023	01/06/2015	306	1494.872	1680.03	-416.701	2.9	43	1.93	23.92
DDU2015-023			1520.253	1671.038	-435.297	0.55	22	0.15	8.63
DDU2015-023			1539.863	1664.111	-450.009	2	45	1.37	5.80
DDU2015-023			1589.134	1647.043	-487.845	1.95	47	1.38	4.54
DDU2015-023			1643.003	1629.423	-529.136	0.3	73	0.27	38.20
DDU2015-024	29/08/2015	252	1557.307	1188.722	-387.21	0.3	31	0.10	21.30
DDU2015-024			1643.082	1154.168	-431.573	1.05	50	0.76	16.95
DDU2015-024			1650.097	1151.544	-435.091	0.4	49	0.26	8.83
DDU2015-025			1555.749	1179.746	-383.39	0.4	29	0.14	62.50
DDU2015-025			1640.112	1120.657	-419.733	1.25	48	0.89	3.00
DDU2015-026	10/09/2015	250	1522.984	1130.484	-379.296	1.45	40	0.88	14.55
DDU2015-026			1579.726	1119.964	-410.959	0.3	64	0.24	14.00
DDU2015-026			1608.053	1115.033	-427.051	0.3	50	0.19	11.10
DDU2015-026			1613.641	1114.095	-430.236	1.4	30	0.65	4.72

DDU2015-026			1675.623	1104.433	-465.826	2.25	88	2.25	2.41
DDU2015-027			1580.92	1097.956	-406.979	0.3	77	0.28	34.60
DDU2015-027			1664.215	1063.137	-448.73	4.15	49	3.09	31.95
DDU2015-031	02/07/2015	240	723.941	2037.814	-245.606	0.35	35	0.15	22.80
DDU2015-031			693.97	2053.038	-243.637	0.4	61	0.32	9.08
DDU2015-032	09/07/2015	321	565.586	2112.478	-246.63	0.85	85	0.84	96.21
DDU2015-033	22/07/2015	311	725.93	2049.374	-254.67	0.4	89	0.40	135.00
DDU2015-033			627.524	2119.852	-266.564	0.6	74	0.56	7.64
DDU2015-034	31/07/2015	207	1565.705	1349.258	-391.178	0.35	29	0.11	10.60
DDU2015-034			1600.947	1338.102	-407.539	0.3	31	0.10	23.90
DDU2015-034			1614.084	1334.103	-413.697	0.7	52	0.51	23.00
DDU2015-034			1662.474	1320.194	-436.505	1.35	36	0.74	2.69
DDU2015-034			1724.952	1303.427	-465.092	1	50	0.73	3.16
DDU2015-035	04/08/2015	213	1642.374	1303.278	-435.636	1.45	33	0.74	3.14
DDU2015-035			1683.639	1281.888	-458.103	3.1	35	1.73	4.09
DDU2015-035			1707.818	1269.706	-471.082	0.95	40	0.56	3.46
DDU2015-035	04/08/2015	213	1716.365	1265.541	-475.597	0.5	38	0.26	37.80
DDU2015-036	10/08/2015	213	1604.526	1276.614	-410.418	0.3	54	0.21	15.10
DDU2015-036			1611.976	1274.456	-413.155	0.25	68	0.21	130.00
DDU2015-036			1651.916	1263.494	-427.557	0.45	59	0.35	15.70
DDU2015-036			1702.537	1250.255	-444.661	1.05	53	0.80	6.01
DDU2015-036			1723.136	1245.162	-451.269	0.9	40	0.53	13.20
DDU2015-037	19/08/2015	228	1635.51	1199.33	-437.517	0.3	73	0.27	13.30
DDU2015-037			1711.016	1186.406	-475.705	2.1	35	1.15	17.12
DDU2015-038	24/08/2015	232	1558.673	1208.622	-396.087	1.35	67	1.22	13.02
DDU2015-038			1573.867	1201.378	-403.333	0.3	48	0.18	32.00
DDU2015-038			1609.553	1184.792	-420.351	3.15	66	2.85	4.83
DDU2015-038			1621.038	1179.589	-425.835	0.25	41	0.12	18.40
DDU2015-038			1671.623	1157.117	-450.319	0.6	29	0.24	6.18
DDU2015-039	18/09/2015	252	1579.16	1090.036	-411.738	0.3	53	0.20	11.83
DDU2015-039			1592.417	1082.656	-419.515	0.3	49	0.18	11.80
DDU2015-041	06/10/2015	276	1450.552	1680.713	-386.315	1.7	49	1.24	13.60
DDU2015-041			1470.716	1666.36	-401.089	1.45	42	0.92	45.54
DDU2015-041			1475.737	1662.829	-404.805	0.7	23	0.22	9.50
DDU2015-042	20/10/2015	305	1491.312	1674.097	-408.71	4.05	40	2.55	29.12
DDU2015-042			1496.247	1671.933	-411.876	1.55	22	0.52	2.04
DDU2015-042			1549.721	1649.703	-446.5	1.5	71	1.40	2.22
DDU2015-042			1637.213	1617.278	-503.362	0.75	49	0.52	19.87
DDU2015-043	07/11/2015	353	1419.226	1700.522	-364.078	1	50	0.73	6.40
DDU2015-043			1438.827	1680.402	-377.77	0.3	59	0.22	21.20
DDU2015-044	28/10/2015	327	1448.44	1686.043	-385.61	0.75	38	0.41	8.34
DDU2015-044			1593.195	1601.317	-493.814	0.55	65	0.47	6.29
DDU2015-044			1628.014	1584.247	-520.101	1.15	54	0.89	3.60

DDU2015-045	06/09/2015	291	1481.299	1598.572	-387.118	2	44	1.34	8.33
DDU2015-045			1491.647	1587.966	-390.827	0.55	48	0.37	29.07
DDU2015-045			1524.373	1554.713	-402.421	0.6	44	0.37	28.40
DDU2015-045			1535.685	1543.414	-406.397	0.45	65	0.38	206.00
DDU2015-045			1558.394	1520.816	-414.516	0.45	54	0.33	11.11
DDU2015-046	20/09/2015	276	1527.354	1564.966	-415.813	4.4	27	1.94	2.60
DDU2015-047	03/10/2015	282	1504.995	1604.414	-403.033	0.4	51	0.27	61.20
DDU2015-047			1532.745	1587.865	-414.471	3.75	14	0.85	1.33
DDU2015-047			1550.079	1577.744	-421.369	2.3	58	1.92	30.25
DDU2015-047			1650.683	1519.72	-461.185	0.25	52	0.16	25.60
DDU2015-048	21/10/2015	262	1561.425	1601.518	-426.825	0.3	56	0.21	12.10
DDU2015-048			1574.06	1596.887	-432.225	1	44	0.65	4.39
DDU2015-048			1606.058	1585.423	-445.8	2	18	0.56	1.52
DDU2015-048			1612.553	1583.155	-448.525	2.4	N/A		4.81
DDU2015-048			1632.06	1576.437	-456.722	3	45	2.08	3.64
DDU2015-048			1640.528	1573.572	-460.29	3.95	32	2.04	7.18
DDU2015-048			1647.107	1571.355	-463.06	1	N/A		6.03
DDU2015-050	18/11/2015	239	1571.428	1625.331	-425.431	5.65	36	3.27	2.62
DDU2015-050			1593.879	1621.406	-434.143	3.95	21	1.36	1.34
DDU2015-051	30/09/2015	241	1275.919	1587.712	-338	0.55	64	0.47	273.00
DDU2015-052	13/10/2015	312	1490.307	1653.617	-400.892	0.25	46	0.14	21.90
DDU2015-052			1512.047	1639.498	-412.676	0.5	38	0.26	6.44
DDU2015-052			1566.06	1606.514	-441.444	2.65	32	1.35	3.46
DDU2015-052			1622.412	1575.319	-470.463	0.45	59	0.35	7.02
DDU2015-053	26/11/2015	176	1052.714	1970.993	-334.695	1.35	69	1.24	2.58
DDU2015-053			1022.79	2000.74	-347.515	0.35	81	0.34	58.90
DDU2015-053			999.522	2023.118	-357.612	0.3	85	0.29	12.40
DDU2015-053			991.985	2030.26	-360.929	0.3	82	0.29	295.00
DDU2015-053			979.603	2041.838	-366.438	7.55	68	6.98	9.75
DDU2015-054	23/11/2015	177	1051.576	1981.345	-344.147	0.7	47	0.47	4.90
DDU2015-054			1032.467	2008.473	-360.117	0.35	68	0.30	47.90
DDU2015-054			1019.562	2026.362	-370.779	0.25	62	0.19	14.50
DDU2015-054			1014.193	2033.728	-375.187	1.3	83	1.28	2.35
DDU2015-054			1010.919	2038.195	-377.86	0.3	62	0.24	169.00

The completion of the test drilling program within the eastern limit (mine-grid) of the Main zone (DDT diamond drilling program, Figure 15) has also seen extremely positive results in that many new significant intercepts have been reported (Table 12). The test drilling program was drilled with oriented core to successfully identify mineralized veins of several different orientations within the Main zone of the mine. These veins strike at an oblique angle to the dominant vein direction and commonly contain higher than average gold grades. The use of oriented, closely-spaced drilling has allowed for a detailed understanding of a geologically complex area within the mine. This new geological knowledge is now being successfully transferred to other areas of the

operation where it has confirmed the similar behaviour of the orebody throughout the known limits of the deposit.

Table 12: Significant New Detailed Test Drilling (DDT) Intercepts

Hole ID	Hole Completion Date	Total Hole Length (m)	Intercept Easting (MG)	Intercept Northing (MG)	Intercept RL (MG)	Drilled Width (m)	Intercept Angle (°)	True Width (m)	Au Grade (g/t)
DDT2015-016	12/03/2015	122	967.336	2016.245	-336.165	9.33	50	7.11	4.59
DDT2015-017	15/03/2015	131	990.34	1994.918	-334.555	0.25	56	0.17	107.00
DDT2015-017			973.248	2009.901	-342.565	0.95	61	0.80	7.91
DDT2015-017			965.195	2016.978	-346.368	1	50	0.73	4.27
DDT2015-018	18/03/2015	95	976.346	2007.024	-350.579	0.2	60	0.14	18.70
DDT2015-019	23/03/2015	122	944.803	1983.14	-331.866	3.45	48	2.52	3.14
DDT2015-019			1002.999	1949.267	-345.127	0.51	59	0.40	69.50
DDT2015-020	27/03/2015	129	940.957	1985.4	-337.668	3.81	58	3.20	11.55
DDT2015-020			955.5	1976.937	-344.132	2.18	53	1.70	1.55
DDT2015-020			1012.751	1943.242	-369.318	0.47	60	0.38	14.70
DDT2015-021	30/03/2015	92	944.037	1983.194	-351.36	1.04	42	0.65	20.22
DDT2015-021			961.913	1972.425	-365.97	1.37	50	1.01	12.53
DDT2015-023	07/04/2015	126	951.649	1955.287	-343.333	0.3	35	0.12	20.90
DDT2015-025	11/04/2015	55	950.707	2002.919	-331.539	0.41	64	0.34	8.53
DDT2015-025			954.944	2000.5	-332.456	0.26	61	0.20	42.40
DDT2015-026	14/04/2015	125	947.719	2004.196	-337.578	1.36	56	1.09	2.59
DDT2015-026			983.25	1982.508	-353.265	12.21	61	10.65	1.38
DDT2015-026			1016.364	1962.158	-367.625	0.44	60	0.35	79.90
DDT2015-027	17/04/2015	93	960.724	1996.878	-358.931	1.05	55	0.82	5.31
DDT2015-027			968.064	1992.675	-364.853	0.3	40	0.14	38.90
DDT2015-028	20/04/2015	120	955	2000.619	-332.494	0.36	68	0.31	16.49
DDT2015-028			960.921	1997.293	-333.744	0.41	69	0.36	12.70
DDT2015-028			979.92	1986.727	-337.719	10.89	57	9.10	7.16
DDT2015-028			991.997	1980.087	-340.235	0.33	21	0.06	193.00
DDT2015-028			1011.911	1969.147	-344.403	0.61	42	0.36	28.00
DDT2015-030	27/04/2015	126	936.049	1938.548	-338.274	0.62			5.11
DDT2015-030			949.341	1929.739	-344.078	0.18	56	0.11	165.70
DDT2015-032	01/05/2015	120	970.502	2014.395	-334.581	1.65	71	1.54	25.88
DDT2015-032			1019.508	1988.671	-344.784	1.45	67	1.31	52.12
DDT2015-033	05/05/2015	126	1025.981	1984.956	-366.062	0.45	47	0.29	81.60
DDT2015-034	07/05/2015	100	964.796	2017.083	-356.804	1.79	62	1.55	2.12

Open Pit

Surface drilling has extended the southeast limits of shallow Au mineralization adjacent to the currently mined Björkdal open pit. (Table 13 and Figure 16 for intercept locations). Future drilling will test the possibility that the East pit resource may be continuous with the shallow Nylunds resource further to the southeast.

Table 13: Significant New Near-Surface Core Drill Intercepts from the South-Eastern Portion of the Björkdal Open Pit

Hole ID	Hole Completion Date	Total Hole Depth (m)	Intercept Easting (MG)	Intercept Northing (MG)	Intercept RL (MG)	Drilled Width (m)	Intercept Angle (°)	True Width (m)	Au Grade (g/t)
DDP2015-007	05/06/2015	202	301.004	2000.944	-103.605	1.2	39	0.71	1.01
DDP2015-007			302.142	1998.398	-105.922	1.15	28.5	0.49	1.28
DDP2015-011	13/11/2015	166	403.784	1886.041	-128.83	0.4	42	0.22	1.74
DDP2015-011			408.069	1880.704	-133.347	0.4	41	0.21	62.50
DDP2015-015	29/10/2015	212	463.683	1847.525	-114.989	0.35	37	0.16	218.00
DDP2015-015			483.799	1836.985	-132.702	0.45	10	0.02	1.40
DDP2015-015			536.44	1811.235	-178.535	0.35	65	0.29	6.84
DDP2015-015			576.222	1793.341	-212.727	3	20	0.97	3.12
DDP2015-016	03/10/2015	156	460.711	1835.514	-124.69	0.3	34	0.12	8.42
DDP2015-017	07/10/2015	94	708.141	1706.714	-122.286	2.25	16	0.56	1.22
DDP2015-018	21/10/2015	210	582.693	1534.549	-156.522	0.95	30	0.42	1.09
DDP2015-018			585.34	1533.083	-158.863	0.2	56	0.13	6.61
DDP2015-020	31/10/2015	174	504.943	1610.126	-84.852	1.2	70	1.11	0.52
DDP2015-020			554.318	1611.913	-123.046	1	85	0.99	1.02
DDP2015-020			593.369	1614.193	-153.702	4.1	32	2.12	0.40
DDP2015-021	13/10/2015	134	667.878	1617.938	-144.484	0.3	64	0.24	2.51
DDP2015-023	20/10/2015	145	505.051	1736.384	-103.874	0.2	40	0.08	5.72
DDP2015-023			524.048	1714.135	-124.07	0.3	50	0.19	21.80
DDP2015-024	15/10/2015	110	504.88	1745.513	-100.235	0.4	26	0.12	7.66
DDP2015-024			517.346	1738.618	-110.527	1.45	60	1.22	0.49
DDP2015-025	12/11/2015	235	555.359	1470.578	-118.748	1	33	0.49	7.35
DDP2015-026	17/09/2015	110	559.623	1710.458	-127.013	0.4	46	0.24	1.65
DDP2015-027	11/09/2015	152	689.567	1626.025	-92.015	1.75	54	1.38	14.82
DDP2015-027			663.129	1626.296	-112.79	0.6	26	0.21	1.14
DDP2015-027			658.433	1626.282	-116.524	0.4	47	0.25	3.05
DDP2015-028	06/09/2015	135	623.544	1628.748	-117.134	0.2	75	0.18	6.44
DDP2015-028			595.271	1637.524	-137.353	0.4	38	0.20	4.79
DDP2015-029	18/09/2015	120	691.202	1628.295	-91.626	3.3	56	2.70	1.38
DDP2015-030	08/09/2015	136	604.566	1679.877	-146.445	0.95	5	0.02	1.12
DDP2015-031	25/09/2015	166	691.785	1631.034	-92.108	1.7	57	1.39	22.69
DDP2015-031			672.697	1651.058	-110.007	0.2	65	0.15	5.34
DDP2015-031			664.629	1659.264	-117.44	0.2	36	0.07	15.90
DDP2015-032	26/09/2015	81	692.8	1633.831	-94.918	0.65	60	0.53	1.86
DDP2015-032			685.48	1647.853	-109.22	0.7	38	0.38	1.98
DDP2015-032			680.22	1657.591	-119.27	2.8	45	1.93	1.05

Nylunds

The Nylunds deposit is located 200 m southeast of the current Björkdal open pit (Figure 17). Infill and extension diamond drilling was performed in order to confirm and convert a previous historical resource based only on RC drilling. Many significantly mineralized Au-bearing vein intercepts were intercepted (Table 14). The Nylunds deposit remains open to the north, south and west (mine-grid) suggesting potential for more mineralized exploration from future exploration efforts. Immediate exploration of this deposit will likely focus on the areas immediately north located between Nylunds and the Björkdal open pit.

Table 14: Significant New Core Intercepts at Nylunds

Hole ID	Hole Completion Date	Total Hole Length (m)	Intercept Easting (MG)	Intercept Northing (MG)	Intercept RL (MG)	Drilled Width (m)	Intercept Angle (°)	True Width (m)	Au Grade (g/t)
DDP2015-038	13/10/2015	180	-224.006	2560.171	-117.751	4.55	44	3.12	0.68
DDP2015-038			-164.942	2524.6	-173.819	1.9	40	1.17	2.77
DDP2015-038			-158.963	2521.206	-179.11	0.45	47	0.29	2.58
DDP2015-039	10/10/2015	190	-156.434	2565.019	-174.947	3	55	2.42	0.48
DDP2015-039			-139.864	2553.606	-189.532	0.3	55	0.21	2.71
DDP2015-040	23/10/2015	188	-259.306	2682.289	-106.196	1	55	0.78	0.65
DDP2015-040			-210.837	2689.754	-145.699	5.75	57	4.79	0.93
DDP2015-040			-196.954	2692.18	-156.695	0.5	36	0.24	1.43
DDP2015-041b	20/10/2015	175	-242.653	2719.426	-105.8	0.55	36	0.27	17.73
DDP2015-041b			-200.787	2720.474	-138.317	0.7	40	0.40	2.07
DDP2015-041b			-172.933	2721.695	-158.849	3.75	47	2.70	0.44
DDP2015-041b			-169.406	2721.88	-161.43	0.8	43	0.50	1.77
DDP2015-041b			-143.696	2723.54	-180.113	0.45	28	0.16	32.86
DDP2015-042	24/09/2015	170	-75.442	2425.829	-136.243	5.75	44	3.95	0.70
DDP2015-042			-54.803	2415.548	-153.624	0.7	14	0.11	1.86
DDP2015-042			-24.679	2401.316	-178.028	1.4	68	1.27	1.10
DDP2015-043	15/10/2015	173	-118.469	2551.033	-95.624	0.5	6	0.01	1.73
DDP2015-043			-96.367	2540.672	-120.983	0.8	62	0.68	3.23
DDP2015-044	09/10/2015	184	-10.473	2606.301	-172.837	0.85	52	0.63	1.09
DDP2015-045	02/10/2015	191	19.58	2452.399	-111.231	1.15	59	0.95	0.55
DDP2015-045			44.546	2446.066	-131.499	0.4	66	0.34	2.04
DDP2015-046	05/10/2015	170	7.622	2508.804	-88.441	0.4	42	0.22	13.40
DDP2015-046			21.444	2504.643	-101.514	0.55	63	0.46	2.50
DDP2015-047	13/09/2015	177	39.821	2620.728	-175.235	2.3	35	1.26	0.40
DDP2015-048	10/09/2015	180	171.768	2410.853	-136.989	1	55	0.78	0.70
DDP2015-049	05/09/2015	178	167.017	2481.329	-102.666	1.4	48	1.00	1.11
DDP2015-049			174.775	2475.387	-110.738	2.35	55	1.89	0.55
DDP2015-049			188.149	2465.382	-124.395	1.1	48	0.77	7.52
DDP2015-049			208.628	2450.357	-144.751	1.9	42	1.22	1.29
DDP2015-049			211.069	2448.566	-147.169	1.05	54	0.81	0.65
DDP2015-050	16/09/2015	145	59.71	2229.699	-149.989	1.9	46	1.32	7.54

Storheden Deposit

The Storheden deposit is located approximately 750 m northeast of the Björkdal mine (Figure 14). Two significantly mineralized, closely-spaced, sub-parallel vein systems were intercepted returning an assay of 2.49 g/t Au from an interval measuring 7 m in true thickness (Table 15). Historical drilling by previous owners has intersected mineralization in this area as well.

Table 15: Significant New Drill Intercept at the Storheden Deposit

Hole ID	Hole Completion Date	Total Hole Length (m)	Intercept Easting (MG)	Intercept Northing (MG)	Intercept RL (MG)	Drilled Width (m)	Intercept Angle (°)	True Width (m)	Au Grade (g/t)
DDE2015-001	18/08/2015	150	972.325	2876.267	-110.786	9.2	46	7	2.49

Challacollo

No significant work was planned or completed at Challacollo in the second half of 2015.

Qualified Persons:

Costerfield: Chris Gregory, Vice President of Operational Geology and Chief Shield Geologist at Mandalay Resources, is a Member of the Australian Institute of Geoscientists (AIG), and a Qualified Person as defined by NI 43-101. He has reviewed and approved the technical and scientific information about Costerfield contained in this release.

Cerro Bayo: Scott Manske, Chief Cordilleran Geologist of Mandalay Resources, is an Oregon registered Professional Geologist. A "Qualified Person" as defined by NI 43-101, he has reviewed and approved the technical and scientific information on Cerro Bayo contained in this release.

Björkdal: Chris Gregory, Vice President of Operational Geology and Chief Shield Geologist, is a Member of the Australian Institute of Geoscientists (AIG), and a Qualified Person as defined by NI 43-101. He has reviewed and approved the technical and scientific information about Björkdal contained in this release.

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About Mandalay Resources Corporation:
Mandalay is a Canadian-based natural resource company with producing assets in Australia and producing and development 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 and the Americas 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 Mineral Resources, Mineral Reserves (including anticipated increases of each), ongoing exploration plans and goals. 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 current or future 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.