



MANDALAY RESOURCES CORPORATION REACHES AGREEMENT WITH MINING UNION AT CERRO BAYO

TORONTO, ON, July 2, 2015 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) is pleased to announce that it has reached a new collective agreement with its mining union at Cerro Bayo for a new two-year contract. The Company is also negotiating separately with its plant operators' union for a new contract and an agreement is expected within the coming days.

Work will immediately resume on site to prepare the mine for normal and safe operations. Due to the strike, and limited damage to electrical installations which occurred during an unusually strong wind storm on June 27, the Company currently expects it to take four to five days to resume normalized operations.

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, 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, copper, silver and antimony projects in Australia, the Americas, and Europe to generate nearterm 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 31, 2015 a copy of which is available under Mandalay's profile at

www.sedar.com. 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.