Alloycorp Mining Inc - Provides Corporate Update

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TORONTO, August 13, 2015 - <u>Alloycorp Mining Inc.</u> (TSX VENTURE: AVT) ("Alloycorp" or the "Company") is pleased to provide shareholders with an update on development of the Avanti Kitsault project ("Avanti Kitsault" or the "Project").

Avanti Kitsault Project Development

Further to the news release dated April 29, 2015, engineering services have now transitioned to DRA Taggart ("DRA"). Concurrent with the transition, DRA is completing a Front End Engineering Design study ("FEED Study") assessing the current engineering, procurement and project plans completed for the Project to date. Once finished, the FEED Study will confirm the Project's scope, budget and schedule and also provide recommendations on engineering, procurement, construction contract or other construction strategies going forward. The FEED Study is expected to be completed in the third quarter of 2015.

In conjunction with work completed from the FEED Study, Alloycorp continues to develop a revised estimate of initial construction capital, sustaining capital, metallurgical recoveries and operating costs. This work is intended to provide greater clarity on costing and scope and will be incorporated into an updated NI 43-101 compliant technical report, targeted for completion by the end of 2015.

Alloycorp is also pleased to announce that DRA and Aecon Group Inc. ("Aecon") are in discussions regarding a joint venture partnership, whereby DRA and Aecon will together explore an engineering and construction partnership structure for the development of Avanti Kitsault.

"As we work together towards completing the FEED Study, we are very pleased with the strong partnerships that we are building with DRA and Aecon two world-class companies that are extremely supportive of our project and aiming to create a new joint venture that will support a new project execution plan," said Mr. Peter Mah, President of Avanti Kitsault Mine Limited and Chief Operating Officer of Alloycorp. "We look forward to continued teamwork and achieving positive results from the study that will further strengthen project economics and financing."

The Company is also currently completing studies required for an Environmental Management Act Operations Discharge ("Operations Discharge") permit for Avanti Kitsault, expected to be received by 2016. The permit is not required until tailings will be discharged from the processing facility, which is expected not to occur before 2017.

Financing Update

Alloycorp continues to pursue credit commitments from a syndicate of lenders, pursuant to the US\$612 million debt financing mandate letter agreement announced July 29, 2014. To-date, US\$225 million in commitments have been provided. No further credit commitments are expected until after completion of the FEED Study, after which time it is expected the lenders will continue working towards credit approval, subject to the commodity price and general market conditions at that time.

Conditional equity commitments from Resource Capital Fund VI L.P. ("RCF") for US\$140 million remain in place. Although a commitment for approximately US\$70 million from RCF's Limited Partners lapsed early in August 2015, the Limited Partners reiterated their interest in and support for Avanti Kitsault, and would welcome an opportunity to consider participating in the financing of Avanti Kitsault before finalization of the financing package. Alloycorp continues to pursue both equity and non-dilutive sources of financing to complete construction requirements, including an off-take investment by a strategic partner, investment in the project, other private equity investments, silver stream monetization and a public offering. These discussions are ongoing with a number of potential parties.

Given the expected timing of the FEED Study and recognizing recent commodity price volatility and investor sentiment towards mineral resource investments, Alloycorp's management is now targeting completion of financing in 2016.

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Upon completion of financing, Alloycorp plans to ramp up to full construction at site. Alloycorp is also firmly committed to advancing partnerships with the communities in which it operates and as the Company moves forward with financing, it will continue to engage local businesses and residents.

"While Alloycorp, along with its industry colleagues have experienced certain challenges due to the decline in commodity prices, particularly in the last twelve months, all of our stakeholders remain very much engaged on the financing and development of Avanti Kitsault," commented Mr. Gordon Bogden, President and Chief Executive Officer of Alloycorp. "However, we are in a unique position that all our partners remain very much engaged on the financing and development of Avanti Kitsault. Our lenders and financial partners remain very supportive and are awaiting positive economic results from the FEED Study. In the meantime, we continue to advance discussions with potential equity investors, partners and streamers. We strongly believe that progressing Avanti Kitsault now will position us well for a recovery in commodity prices."

About Avanti Kitsault

Avanti Kitsault is located in the Nass Valley area, approximately 140 km north of Prince Rupert, in British Columbia, Canada. Alloycorp holds a 100 percent interest in the Project through its wholly owned subsidiary, Avanti Kitsault Mine Ltd. Alloycorp is spending approximately \$1 billion to develop Avanti Kitsault into one of the top four primary molybdenum mines in the world, expected to reach production as early as 2017.

Avanti Kitsault is fully permitted for construction, receiving its environmental assessment certificate from the Province of British Columbia in March of 2013, and an amended Mines Act permit on June 16, 2014. A Co-operation and Benefits Agreement was announced between Avanti Kitsault and the Nisga'a Lisims Government on June 3, 2014.

Molybdenum is a key alloying agent in the production of steel. Molybdenum is used to enhance strength, toughness, and wear and corrosion resistance to types of steels used in pipelines, storage tanks, bridges, aircraft engines and many, many other products. The versatility of molybdenum means that it plays a significant role in everyday life now and in the future.

About Alloycorp

Alloycorp is a TSX-Venture listed company headquartered in Toronto with an operations office in Vancouver. Alloycorp's strategy is to become the unique supplier of steel alloy metals. Cornerstone to this strategy is the development of Avanti Kitsault. Parallel to this, Alloycorp is seeking to grow through the acquisition of other assets with commodities that supply to the steel alloys industry.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements: This news release contains certain statements concerning the business of Alloycorp that constitute "forward-looking information" within the meaning of applicable securities laws. Such statements can be identified by the use of words such as "may", "would", "target", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "predict" and other similar terminology, or state that certain actions, events or results "may", "could", "would", "might", or "will be taken or occur to be achieved. All statements, other than statements of historical fact, included herein, including, without limitation, the completion of anticipated financing arrangements and activities and the anticipated development of Kitsault, the expected movement of molybdenum and other commodity prices (and the Company's position in relation thereto) and expected fluctuations in exchange rates, are all forward-looking statements. These forward-looking statements are based on the opinions of management at the date the statements are made and are based on assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events to differ materially from those projected in forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include fluctuations in commodity prices and currency exchange rates; the satisfaction of various conditions to financing and funding; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies and native groups in the exploration and development of properties and the issuance of required permits; the need to obtain additional financing to develop properties and uncertainty as to the availability, terms and timing of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; and other risks and uncertainties disclosed in the Company's Annual Information Form for the year ended December 31, 2013, which is available at www.sedar.com. The Company is under no obligation to update forward-looking

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statements if circumstances or management's opinions should change, except as required by applicable securities laws. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, ad will not necessarily be accurate indicators of whether or not such results will be achieved. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

For further information, please contact:

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