

Mandalay Resources Comments on Independent Report on Antimony Exposure in Costerfield, Australia

TORONTO, ON, June 30, 2014 – Mandalay Resources Corporation ("Mandalay") (TSX: MND) announced today that an independent scientific report by Golder Associates, commissioned by the government of the State of Victoria in response to community concerns about exposure to antimony in the area and its potential impact on human health, has found levels of antimony in the environment that are elevated, but well below those that are likely to cause adverse health effects for local residents. The report also notes that the Costerfield area has naturally occurring elevated levels of antimony in soil and there has been extensive historical mining of antimony in the area. Preliminary testing of fugitive dust originating from Mandalay Resources' Costerfield operations has not shown any significant levels of antimony-containing dust.

The Golder report included analysis of 149 samples for antimony and other metals and an ambient air monitoring program.

Key findings of the report include:

- the Costerfield area is geologically endowed with naturally high antimony due to the same geologic processes that formed the gold-antimony mineral deposits that have been mined for over 150 years. The report did not consider the specific source of elevated antimony levels locally found in soils in the area, but noted that the antimony could be of natural origin, related to historical mining or due to current mining operations;
- preliminary ambient air monitoring detected low particulate levels with low antimony levels;
- while elevated antimony was detected in water and soil samples, the levels are sufficiently low that adverse health effects are unlikely for both adults and children (and the Victoria government's senior medical advisor has noted that the overall level of exposure for residents is "well below the safe limit for lifetime exposure set by the World Health Organization") (Golder, 2014); and
- a recommendation that further investigations and a comprehensive risk assessment be conducted. This recommendation is focused specifically on ways to reduce antimony exposure for residents.

In response to the community concerns, the Victoria government has directed Mandalay to put a number of additional dust suppression measures in place at the Costerfield mine. These measures were promptly implemented and have reduced further the already low levels of dust from the mine. Additional work will be undertaken to further improve the mine's system of dust monitoring and control.

Mandalay is committed to operating its mines safely without causing any potentially harmful environmental impacts. Mandalay has been actively cooperating with and working closely with the Victoria government and community members to discuss and address these concerns and will continue to work with all parties as the ongoing investigations and the comprehensive risk assessment recommended by Golder moves forward. A long-standing member of the Costerfield community, Mandalay is committed to its work as a good corporate citizen and to participating in discussions with the community.

The full Golder report, and additional information relating the Victoria government's assessment of antimony exposure in the Costerfield area, can be found here:

<http://www.energyandresources.vic.gov.au/earth-resources/information-for-community-and-landholders/latest-information-for-costerfield-residents>.

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 and producing and development projects in Chile. Mandalay 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.