MANDALAY RESOURCES ANNOUNCES POSITIVE PRELIMINARY ECONOMIC ANALYSIS, INCEPTION OF CUFFLEY DEVELOPMENT, AND EXPLORATION UPDATE FOR ITS COSTERFIELD GOLD-ANTIMONY MINE, AUSTRALIA

TORONTO, ON, September 10, 2013 -- Mandalay Resources Corporation ("**Mandalay**" or the "**Company**") (TSX: MND) is pleased to provide the following update for its Costerfield gold-antimony mine in Victoria, Australia:

- the Company has completed a Preliminary Economic Analysis ("**PEA**") of the Cuffley mine life extension, demonstrating enlarged Mineral Resources net of depletion relative to previously announced, year-end 2012 Mineral Resources and suggesting a four-year mine life with total potential saleable production of approximately 214,000 ounces of gold equivalent (**"oz Au Eq."**) and an after tax net present value ("**NPV**") of approximately $67 million at a gold ("**Au**") price of $1,300/oz, an antimony ("**Sb**") price of $9,500/tonne ("**t**"), a 0.9 US Dollar ("**USD**") per Australian Dollar ("**AUD**") exchange rate, and a discount rate of 5%;

- the Company has begun capital development toward Cuffley, with the goal of demonstrating short-range grade continuity and mineability of Cuffley by year-end 2013 that will support conversion of currently Indicated Mineral Resources to Mineral Reserves. As of the end of July, 2013, 286 metres (**"m"**) of a total of 330 m of decline necessary to access the planned bottom of the Cuffley ventilation shaft and escapeway are complete; and

- the Company continues to generate mineralized intercepts in its resource extension and conversion drilling program on N-lode and Cuffley lode. It is expected that this work will support further growth of Costerfield Mineral Resources and Mineral Reserves, the next estimates of which are to be prepared at year-end 2013.

All dollar amounts presented in this press release are in U.S. dollars unless otherwise indicated.

The PEA was prepared by SRK Consulting (Australasia) Pty Ltd, Melbourne, Australia ("**SRK**") and the full technical report will be filed on SEDAR and the Company's website within 45 days of this news release.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA based on these Mineral Resources will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Brad Mills, CEO of Mandalay, commented, "The PEA suggests that the Cuffley lode is a project that could potentially extend the Costerfield mine life to at least the second quarter of 2017. During this four-year period, the Company could potentially produce a total of approximately 129,000 oz of saleable Au and 12,000 t of saleable Sb, amounting to approximately 214,000 saleable oz Au Eq. We intend to infill nearly all of the Inferred Resources modeled for extraction

in the PEA in order to increase confidence to the Indicated level by early 2014. We also expect that much of this material will be converted to Probable Reserves with the first development of Cuffley mining levels (assuming demonstration of local grade continuity and mineability) by the end of 2013, making for a very low risk project. Total capital for the four-year Life of Mine ("**LOM**") is $28 million; approximately half of the total is for capital development and approximately a third of the total will be spent during 2013 simply developing initial access and first vein drives to demonstrate local grade continuity and mineability. Recent performance of the mine has demonstrated the Company's ability to operate continuously in the 10,000 to 12,000 tonnes per month ("**t/m**") range at low unit costs; this performance is expected to continue. At the conservative metal prices of the PEA, we expect that Costerfield can nearly self-fund the Cuffley investment during the peak investment period from now through the first quarter of 2014, with any remainder contributed from the Company's current cash position. The LOM cash operating cost is projected to average approximately $766/oz Au Eq., and the LOM total cost (operating plus capital cost) to average approximately $898/oz Au Eq. The Cuffley lode is expected to support a significant increase in mine production to 60,000 to 65,000 oz Au Eq. per year from the high-grade core of the lode through mid-2015. The Company will then have an option to increase the rate of mining and processing to approximately 15,000 t/m. We believe this will make it possible to sustain the high rate of annual metal production as the mill feed grades decline during the last two years of the current PEA study period. We intend to drill intensively between now and mid-year 2014 to demonstrate sufficient additional resources to justify the investment in the electrical power upgrade and mill expansion required for that 15,000 t/m rate, while adding to mine life at the expanded rate."

Mr. Mills continued, "The completion of the PEA and commitment of associated investments is a clear example of Mandalay's strategy in action. Costerfield was acquired in late 2009 on care and maintenance with no NI 43-101 compliant Mineral Resources or Mineral Reserves. It was promptly restarted, and in 2010 it produced 15,872 oz Au Eq. at a cash cost of $936/oz Au Eq. Over the last three years, it has funded itself to the following achievements:, improved safety and environmental performance; a sustainable staffing level; conversion to a new, more efficient mining method; a nearly doubled mining and processing rate; significantly reduced unit costs; and exploration success to support the nominal four-year mine life described by the PEA. Today the future looks bright, with good margins being achieved even at the recent low gold and antimony prices and with significantly more exploration potential to test going forward. We expect Costerfield to emerge as an even more significant value contributor to Mandalay as it achieves this next phase of growth over the coming months."

Highlights of the PEA

- *Upgraded Cuffley resource* - The PEA includes a new Mineral Resource estimate for the Cuffley lode based on drill results through June 30, 2013 (see Table 1 below).

Table 1: Mineral Resources of the Cuffley lode as of June 30, 2013

Resource	Tonnes (t)	Sb Grade (%)	Sb Contained (t)	Au Grade (g/t)	Au Contained (oz)
Measured	-	-	-	-	-
Indicated	133,000	5.4	7,000	16.9	72,000
Measured + Indicated	**133,000**	**5.3**	**7,000**	**16.8**	**72,000**
Inferred	273,000	3.2	9,000	10.4	91,000

1. Mineral Resources stated as of June 30, 2013.
2. Mineral Resource estimate used relevant sample data as of June 30, 2013.
3. Tonnes resource and Sb rounded to nearest thousand; oz Au rounded to nearest thousand.
4. Mineral Resources stated according to CIM guidelines and include Mineral Reserves.
5. A 3.6 g/t Au Eq. cut-off grade over a minimum mining width of 1.8 m is applied where Au Eq. is calculated at a gold price of $1,400/oz and an antimony price of $12,000/t.
6. The cut-off grade has decreased from 4.7 g/t Au Eq. used in the December 31, 2012, Mineral Resource estimate due to changes

in metal price assumptions, updated cost experience, recoveries and other assumptions.
7. Mineral Resource estimate supervised and approved by Dr. Andrew Fowler, AMC Consultants Pty, BSc, PhD, MAIG and MAusIMM CP (Geo), who is a qualified person under NI 43-101.

The infill drilling carried out in the first two quarters of 2013 accomplished the goal of increasing the certainty around the PEA resource: relative to the end-of-2012 estimate, the June 30, 2013 estimate contains more tonnes of resource, more contained Sb and more contained Au in the Indicated Resource category and slightly less in the Inferred Resource category.

- *Increased total Measured and Indicated Resources on the property* - In addition, the resources for the other Costerfield lodes, while not updated for new drilling and face sampling data (since the December 31, 2012 Resource Estimate), were depleted for production through April 30, 2013 and restated for the new 3.6 g/t Au Eq. cut-off grade applied in the PEA (see Table 2).

Table 2: Mineral Resource of the entire Costerfield property included in the PEA

Resource	Tonnes (t)	Sb Grade (%)	Sb Contained (t)	Au Grade (g/t)	Au Contained (oz)
Measured	184,000	4.3%	8,000	**7.1**	42,000
Indicated	534,000	3.7%	20,000	**11.1**	190,000
Measured + Indicated	**718,000**	**3.9%**	**28,000**	**10.1**	**232,000**
Inferred	680,000	2.6%	18,000	6.4	140,000

1. Mineral Resources estimated as of December 31, 2012, and depleted for production through April 30, 2013, except for Cuffley lode for which Mineral Resources are stated as of June 30, 2013.
2. Mineral Resources stated according to CIM guidelines and include Mineral Reserves.
3. Tonnes resource and Sb rounded to nearest thousand; oz Au rounded to nearest thousand.
4. A 3.6 g/t Au Eq. cut-off grade over a minimum mining width of 1.8 m is applied where Au Eq. is calculated at a gold price of $1,400/oz and an antimony price of $12,000/t.
5. The cut-off grade has decreased from 4.7 g/t Au Eq. used in the December 31, 2012, Mineral Resource estimate due to changes in metal price assumptions, updated cost experience, recoveries and other assumptions.
6. Mineral Resource estimate supervised and approved by Dr. Andrew Fowler, AMC Consultants Pty, BSc, PhD, MAIG and MAusIMM CP (Geo), who is a qualified person under NI 43-101.

Relative to the total property-wide resource at the end of 2012, this represents 35% more contained Sb and 44% more contained Au in the Measured plus Indicated categories. It represents 9% less Sb and unchanged Au in the Inferred Resource category. These changes are mostly due to a decrease in the cutoff grade from 4.7 to 3.6 g/t Au Eq. used in the respective estimates (based on recent operating experience) and to a change in the definition of sterilized resource in the Augusta lodes (based on revised mine design).

- *Four-year mine plan* - The PEA identified 509,000 t of potential mill feed (Measured, Indicated and Inferred material) in the PEA LOM Plan at average grades of 3.8% Sb and 10.5 grams per tonne ("**g/t**") Au. The Company expects to mine this material at an average rate of 10,000 to 12,000 t/m through the second quarter of 2017. Over the four-year mine life, a total of 12,000 t saleable Sb and 129,000 oz saleable Au for a total of 214,000 saleable oz Au Eq. is expected to be produced and sold at an average of about 53,000 oz Au Eq. per year. Average cash cost over the LOM is $766/oz Au Eq. and average P&L cost (cash cost plus capital cost) is $898/oz Au Eq. At flat metal prices of $1,300/oz Au and $9,500/t Sb, with a 0.9 Australian dollar/U.S. dollar exchange rate, the after tax NPV of the project based on a 5% discount rate is $67 million. The after tax Internal Rate of Return ("**IRR**") is 3,309%.

Based on the positive results of the PEA, the Company is continuing capital development for the rest of the year at the current rate of capital development spending in order to complete the Cuffley decline, establish infrastructure at the bottom of the decline, and accomplish the on-vein secondary development required to demonstrate short-range continuity and mineability of the Mineral Resources. The Company anticipates mining approximately 4,000 t of Cuffley material by

the end of 2013.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA based on these Mineral Resources will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Drilling highlights

Drilling continued on the N-lode and Cuffley lode through July 30, 2013. The goal of this program was to define sufficient Inferred Resource to support the PEA as well as upgrade sufficient Inferred Resource to Indicated Resource to reduce the risk of the project.

- *N-lode* - close-spaced drilling necessary to convert all of the Inferred Resource that is utilized in the PEA to Indicated Resource is nearly complete. Drilling results continue to expand the limits of the mineralized shoot to the north (click here for figure 2), and further expansion of Measured, Indicated, and Inferred Resources by the end of 2013 is expected. In addition, mining level development and sampling is expected to convert a significant part of the Indicated and Inferred Resources to Measured Resources (and Proven Reserves) by year-end.

- *Cuffley lode* - close-spaced drilling has converted Inferred Resource to Indicated Resource around the previously defined, high-grade northern shoot and extended the limits of mineralization to the south and at depth (click here for figure 3). At the current rate of drilling, it is expected that all the Inferred material targeted by the PEA will be infill drilled by early second quarter of 2014.

The Company has approved continuing the current rate of drilling (three rigs) through the end of the year to continue resource extension and infill drilling with the goal of adding as much Mineral Resources and converting as much Mineral Resources to Mineral Reserves by the end of the year as possible.

Costerfield drilling, sampling, and assaying

From January 1 to July 30, 2013, Mandalay drilled 13,416 m in 53 holes for approximately $2.9 million. In addition, the Company completed 3,123 m of on-vein operating development and took an associated 746 face samples of the E-, W-, and N-lodes in the Augusta mine.

Drill core was logged and sampled by Costerfield geologists, who also performed mine sampling of the development advances. All samples were sent to Onsite Labs in Bendigo, Victoria, 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 Costerfield Technical Report filed March 28, 2013, which contains a complete description of drilling, sampling, assaying and data verification procedures).

Costerfield drill results

For the locations of the N-lode, Cuffley lode, and W-lode, please click here for figure 1.

N-lode

Drilling results for N-lode appear in Table 3. Please click here for figure 2, which displays drill results and mine sampling results as long section.

Table 3: N-lode drill results

Hole ID	Hole Completion Date	Intercept Northing (Mine Grid, m)	Intercept Easting (Mine Grid, m)	Relative Elevation (m)	*True Width (m)	Gold Grade (g/t)	Antimony Grade (%)	Hole Depth (m)
MH239	3/Dec/12	4588	15312	984	0.210	101.8	45.2	171.7
MH309	19/Dec/12	4593	15292	880	0.110	98.1	46.3	215.8
MH331	18/Mar/13	4523	15306	858	1.260	0.2	0.1	252.3
MH333	21/Feb/13	4479	15312	849	0.129	0.2	0.0	402.3
MH334	4/Mar/13	4435	15313	843	0.112	0.6	8.2	407.0
MH335	12/Mar/13	4632	15307	952	0.116	68.9	38.5	411.5
MH336	26/Mar/13	4638	15299	905	0.334	113.2	59.5	402.4
MH337	8/Apr/13	4641	15294	854	0.282	24.6	45.8	459.4
MH338	12/Apr/13	4607	15289	847	0.192	0.7	0.6	250.2
MH339	17/Apr/13	4527	15307	891	0.328	45.2	42.3	276.2
MH341	29/Apr/13	4590	15296	932	0.450	80.1	46.0	437.4
MH348	3/May/13	4636	15322	985	0.417	22.6	3.0	195.1
MH349	8/May/13	4663	15307	939	0.212	118.9	36.9	229.2
MH350	13/May/13	4638	15297	883	0.338	166.5	46.0	249.5
MH351	16/May/13	4707	15341	1039	0.090	99.2	23.1	201.1
MH352A	22/May/13	4700	15321	976	0.083	17.8	11.1	221.2
MB023	16/Jan/13	4859	15343	964	0.120	13.0	16.8	344.6
MB025	18/Dec/12	5009	15373	1022	0.080	4.7	14.5	305.6
MB024	2/Apr/13	4704	15342	1064	0.333	0.9	0.6	163.0
MB027	11/Apr/13	4773	15339	1019	0.676	41.6	21.2	241.4
MB029	10/May/13	4731	15345	1031	0.068	9.1	2.1	242.8
MB028	22/Apr/13	4774	15340	972	0.160	0.2	0.0	288.3
MB031	7/Jun/13	4717	15334	962	1.750	3.8	1.8	380.4
MB032	21/Jun/13	4757	15350	990	1.310	64.9	2.8	380.7

On the N-lode long section (click here), it can be seen that the new drill results have extended the limits of mineralization approximately 50-100 m north of the limits of Measured, Indicated, and Inferred Resources in the December 31, 2012, Mineral Resource Estimate. As well, recent face sampling of the 10 m-spaced upper levels of N-lode have extended high-grade mineralization beyond the limits of previously Measured Resources out into Indicated, Inferred, and even previously un-estimated areas of the lode. Continued drilling is expected to extend the limits and fill in mineralization in N-lode; significant resource additions in all categories are anticipated by year-end.

Cuffley lode

Drilling results for Cuffley lode appear in Table 4. Please click here for figure 3, which displays drill results in long section.

Table 4: Cuffley lode drill results

Hole ID	Hole Completion Date	Intercept Northing (Mine Grid, m)	Intercept Easting (Mine Grid, m)	Relative Elevation (m)	*True Width (m)	Gold Grade (g/t)	Antimony Grade (%)	Hole Depth (m)
AD022W1	8/Feb/13	5007	15178	737	0.123	101.4	5.9	593.4
MH333	21/Feb/13	4493	15114	783	0.068	1.8	0.3	402.3
MH334	1/Mar/13	4402	15105	767	0.120	0.5	0.1	407.0
AD022W3	3/Apr/13	4982	15180	784	1.105	2.4	0.6	458.5
MH336	26/Mar/13	4688	15183	814	0.958	0.3	2.5	402.4
MH335	12/Mar/13	4692	15152	875	1.904	0.6	0.0	411.5
AD026	28/Feb/13	4864	15156	744	0.361	18.1	0.6	543.3
AD026W1	22/Mar/13	4871	15150	691	0.709	3.5	1.5	606.2
MH337	8/Apr/13	4691	15189	740	0.091	0.7	0.0	459.4
AD030	15/Apr/13	5011	15185	990	0.330	39.7	25.6	245.6
AD031	26/Apr/13	4988	15183	1037	0.960	12.5	8.4	251.6
MH341	29/Apr/13	4610	15121	832	0.139	1.2	0.0	437.4
MB018	29/Apr/13	4789	15126	713	0.210	6.3	3.4	680.4
AD032	8/May/13	4964	15173	992	1.038	106.2	17.4	255.6
AD039	22/May/13	4991	15195	918	0.146	32.8	33.0	386.3
AD040	6/Jun/13	4955	15187	890	0.696	7.0	1.9	434.6
AD041	20/Jun/13	4966	15186	915	0.102	16.4	12.7	329.7
AD042	3/Jul/13	4925	15189	935	0.602	1.6	0.3	316.4
AD051	16/Jul/13	4793	15171	920	0.816	0.9	0.1	276.2
* True widths may vary from those used in resource estimation								

In the long section, the impact of new intercepts in extending the volume of Indicated Resources can be seen. As well, several new intercepts, although too sparse to support Inferred Resources, suggest extension of mineralization more than 100 m below the limits of Inferred Resources.

W-Lode

Drilling results for W-lode appear in Table 5.

Table 5: W-lode drill results

Hole ID	Hole Completion Date	Intercept Northing (Mine Grid, m)	Intercept Easting (Mine Grid, m)	Relative Elevation (m)	*True Width (m)	Gold Grade (g/t)	Antimony Grade (%)	Hole Depth (m)
MH325	11/Dec/12	4460	15314	853	0.150	11.9	15.8	209.9
MH271	24/Jan/13	4323	15295	914	0.280	46.3	41.0	330.7
MH334	4/Mar/13	4437	15321	846	0.118	1.2	0.0	407.0
MH333	21/Feb/13	4479	15314	850	0.079	197.1	0.2	402.3
* True widths may vary from those used in resource estimation								

These four holes were drilled to infill previously Inferred Resources in the lowest planned levels of W-lode and yielded the expected mixed results. W-lode resources will be re-estimated at year-end to include the impact of these holes, plus the mine sampling and depletion accomplished during the balance of 2013.

Resource update

The Mineral Resource was estimated using a block model and a 2 dimensional (**"2D"**) accumulation method. All relevant diamond drillhole and underground face samples in the Costerfield property, available as of December 31, 2012, for the E, W, NE, NW, and P-lodes, and as of June 30, 2013, for the Cuffley lode were used to inform the estimate. Mineral Resources for C-lode and Brunswick have not been re-estimated since they were last reported in 2009. No drilling or mining has occurred on these structures since then. Resources in all lodes are restated here for consistency with an updated cut-off grade of 3.6 g/t Au Eq. and a 1.8 m minimum mining width criteria based on PEA technical assumptions, price assumptions, and recent operating cost experience.

The method used to estimate the Au and Sb grades and thickness into a 2D block model required that Au and Sb were multiplied by true thickness (called Au accumulation and Sb accumulation), to correctly assign weights to composites of different lengths during estimation. The estimation method was ordinary kriging, where there were sufficient sample pairs for meaningful variography. Otherwise, inverse distance squared was used. The estimated grades were then back-calculated by dividing estimated Au accumulation and estimated Sb accumulation by estimated true thickness.

For W, E, and N-lode, the December 31, 2012, resources, originally reported at a 4.7 g/t Au Eq. cut-off grade, were not re-estimated for more recent drill results but were restated for the 3.6 g/t Au Eq. cutoff grade used in the PEA. In addition, they were depleted for production through April 30, 2013.

The run of mine stockpile on April 30, 2013, was included in the Mineral Resource estimate. The volume of the stockpile was based on survey information. Stockpile grades were averaged from face samples that were sampled from the areas of the mine that contributed to the stockpile.

Preliminary Economic Analysis

The mine incorporating the Augusta lodes and Cuffley lode is an underground Sb-Au mine currently producing approximately 100,000 t per year (**"t/y"**) of mill feed from a variety of mining methods to a depth of over 310 m below surface. The peak trucking rate to achieve the production schedule proposed is 108,000 t/y and this has been determined to be well within the capability of the current trucking fleet. The mine is serviced by a decline haulage system developed with dimensions of 4.8 m high by 4.5 m wide at a gradient of 1:7 down. The mine employs predominantly air-leg, longhole stoping methods as well as longitudinal uphole retreat working a bottom-up sequence. These mining methods have been utilized throughout 2010, 2011, and 2012. Cemented rock fill (**"CRF"**) is placed into stoping voids to maximize extraction and assist with mine stability.

Mandalay expects to develop the Cuffley lode, the southern Inferred Resource boundary of which is located approximately 250 m to the northwest of the Augusta mine. Access to the Cuffley lode will be via single decline that will connect to the existing Augusta decline at the 1030 m level. The Cuffley lode is anticipated to produce, in conjunction with the Augusta Mine, at a maximum rate of 108,000 t/y. Three different mining methods-- full face development, longhole air-leg CRF stoping and half upper air-leg stoping will be utilized. All mined material will be transported to surface via the existing Augusta decline before being hauled to either the Brunswick run of mine pad or Augusta waste rock storage facility. The mining operation will continue to utilize proven methods and equipment that have been in use at the operation for the past four years.

Mining in the Cuffley lode will follow a bottom-up sequence, mining from the northern and southern extents retreating toward the central access. This sequence enables a consistent production profile to be maintained as it allows for dual development headings on each level. The current Augusta mining methods and extraction sequence are indicative of the development and stoping sequence planned at Cuffley.

Mill feed will be trucked to the Brunswick plant and processed using the same methods as used for the past four years on material from the Augusta mine. Metallurgical studies performed on Cuffley material suggest that the same costs and recoveries experienced on mill feed from Augusta will occur.

The key project criteria and assumptions used in preparation of the cash flow analysis have been listed in Table 6.

Table 6: Cuffley LOM criteria and assumptions

Description	Units	Quantity
Proposed Mill Feed	Tonnes	509,000
	Gold grade (g/t)	10.5
	Antimony grade (%)	3.8
Project Life	Months	47
Average Production Rate	t/mth	10,800
Maximum Mining Rate	t/mth	13,000
Metallurgical Recovery	Gold (%)	89
	Antimony (%)	96
Gravity Gold	(%)	34
Concentrate Grade	Gold (g/t)	71
	Antimony (%)	53
Concentrate Selling Expenses	$AUD/dmt	195
Payable	Gold in Concentrate (%)	78.5
	Gravity Gold (%)	98
	Antimony in Concentrate (%)	63
Exchange Rate	USD:$AUD	0.90
Commodity Prices	Gold USD/oz	1,300
	Antimony USD/t	9,500

A summary of the project economics are presented in Table 7. The NPV shown in Table 7 is calculated after tax. The after tax estimate is based on a Company tax rate of 30%, straight line depreciation, an opening book value of AUD$43 million and $AUD42 million of tax losses carried forward.

Table 7: PEA outcomes

Description	Units	Quantity	Units	Quantity
Tonnes Milled	Tonnes	509,000	Tonnes	509,000
Recovered Gold	Ounces	152,000	Ounces	152,000
Recovered Antimony	Tonnes	18,000	Tonnes	18,000
Operating Cost	$AUD M	182	USD M	164
Operating Cost per Payable Ounce	$AUD/ Oz eq	851	USD/ pay Oz eq	766
Capital Cost	$AUD M	31	USD M	28
Total Operating + Capital Cost	$AUD M	213	USD M	192
Total Cost per Payable Ounce	$AUD/ Oz eq	998	USD/ pay Oz eq	898
Payable Gold	Ounces	129,000	Ounces	129,000
Payable Antimony	Tonnes	12,000	Tonnes	12,000
Payable (Saleable) Metal – Au Eq.	Oz Au Eq. [1]	214,000	Oz eq [1]	214,000
Net Revenue (less selling expenses)	$AUD M	299	USD M	269
After Tax Profit	$AUD M	84	USD M	76
After Tax NPV_5	$AUD M	74	USD M	67
IRR	%	3309	%	3309
Max Negative Cash flow	$AUD M	-2	USD M	-2
Max Negative Cash flow	Mth	Mar 2014	Mth	Mar 2014

[1] Oz eq – Gold Ounces + 9,500/1,300 * Antimony tonnes
Tonnes and ounces rounded to nearest thousand.
Million dollars rounded to nearest million.

Qualified Persons

Chris Gregory, General Manager of Australasian Corporate Development and Exploration for Mandalay Resources, a Member of Australian Institute of Geoscientists (AIG) and a Qualified Person as defined in NI 43-101, supervised the scientific and technical information relating to exploration reported here and has reviewed and approved such information contained in this press release.

Dr. Andrew Fowler, a Senior Geologist with AMC Consultants Pty; a BSc and PhD geologist, and MAIG and MAusIMM CP (Geo), and a Qualified Person as defined in NI 43-101, supervised and reviewed the resource estimation reported here and has reviewed and approved the resource information contained in this press release.

Peter Fairfield, Principal Consultant with SRK Consulting; BEng (Mining), FAusIMM (No: 106754), and a Qualified Person as defined in NI 43-101, compiled the PEA and has reviewed and approved the mine planning and financial analysis information contained in this press release.

For further information:

Bradford Mills
Chief Executive Officer

Greg DiTomaso
Investor Relations

Contact:
647.260.1566

About Mandalay Resources Corporation:

Mandalay Resources is a Canadian-based natural resource company with producing assets in Australia and producing and exploration 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, anticipated production from the Cuffley lode, anticipated exploration results at the Costerfield mine and the Costerfield Life of Mine plan. 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 27, 2013, 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.