

MANDALAY RESOURCES CORPORATION RESUMES OPERATIONS AT CERRO BAYO

TORONTO, ON, July 19, 2013 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) announces that production has resumed at its Cerro Bayo underground silver-gold mine in Aysen, Chile.

Mining operations returned to normal in the Dagny and Delia NW mines on Thursday, July 18, 2013 and mineral processing will resume on Friday, July 19, 2013. Production from the Fabiola mine remains suspended while investigations into the fatal accident are being completed by the government and the Company.

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 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.