



Mandalay Resources Corporation Announces Renewal of Normal Course Issuer Bid

Toronto, Ontario – October 15, 2012 – Mandalay Resources Corporation (“**Mandalay**” or the “**Company**”) (TSX:MND) announced today that the Toronto Stock Exchange (the “**TSX**”) has approved its notice of intention to renew its normal course issuer bid for a portion of its common shares (“**Common Shares**”). The normal course issuer bid will be made in accordance with the requirements of the TSX. Mandalay may begin to purchase Common Shares on or after October 17, 2012, subject to the Company’s blackout policy, as described in the Company’s Timely Disclosure, Confidentiality and Insider Trading Policy. Purchases under Mandalay’s prior NCIB totalled 2,635,160 as of October 3, 2012 and the weighted average price per security was CAD\$ 0.7492.

As of October 3, 2012, 317,135,727 Common Shares were outstanding. The average daily trading volume (the “**ADTV**”) of Common Shares for the six month period beginning April 1, 2012 and ending September 30, 2012 was 228,358. Pursuant to the normal course issuer bid, Mandalay is permitted to acquire up to 15,856,786 Common Shares in the 12-month period commencing October 17, 2012 and ending on October 16, 2013, which represents 5% of the Common Shares issued and outstanding as of October 3, 2012. Purchases under the normal course issuer bid will be made by Mandalay through the facilities of the TSX and in accordance with applicable regulatory requirements. The price that Mandalay will pay for any Common Shares that are purchased under the normal course issuer bid will be the market price of such Common Shares at the time of purchase. Pursuant to the TSX rules, the maximum number of Common Shares that may be repurchased during the same trading day is 57,089 Common Shares, which represents 25% of the ADTV, subject to Mandalay’s ability to make one block purchase of the Common Shares per calendar week that exceed such limits. Any Common Shares that are purchased under the normal course issuer bid will be cancelled upon their purchase by Mandalay. Mandalay will fund the purchases through available cash. Mandalay believes that the repurchase by Mandalay of a portion of outstanding Common Shares is an appropriate use of available cash and is in the best interests of Mandalay and its securityholders.

For further information or to obtain a copy of the notice filed with the TSX in connection with the bid, please contact:

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About Mandalay Resources Corporation:

Mandalay 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.