



## Mandalay Resources Corporation Announces Completion of Substantial Issuer Bid

TORONTO, ON, July 4, 2012 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, MND.WT) announced today that it has completed its previously announced warrant exchange offer (the "Exchange Offer"), pursuant to which Mandalay offered to purchase all of its outstanding common share purchase warrants (the "Warrants") in exchange for common shares ("Common Shares") based on the following exchange prices (the "Exchange Prices"):

Warrant Series	Description	Exchange Price
Series 2	Issued on August 6, 2010 with an exercise price of \$0.33 and an expiry date of August 6, 2012	0.58 Common Shares for each Series 2 Warrant
Series 3	Issued on April 22, 2009 with an exercise price of \$0.20 and an expiry date of April 22, 2014	0.79 Common Shares for each Series 3 Warrant
Series 4	Issued on July 22, 2009 with an exercise price of \$0.20 and an expiry date of July 22, 2014	0.79 Common Shares for each Series 4 Warrant
Series 5	Issued on October 15, 2009 with an exercise price of \$0.465 and an expiry date of October 15, 2014	0.47 Common Shares for each Series 5 Warrant
Series 6	Issued on November 30, 2009 with an exercise price of \$0.31 and an expiry date of November 30, 2014	0.63 Common Shares for each Series 6 Warrant
Series 7	Issued on November 30, 2009 with an exercise price of \$0.465 and an expiry date of November 30, 2014	0.47 Common Shares for each Series 7 Warrant

Bradford Mills, CEO of Mandalay noted, "We are delighted with the success of this offer. Mandalay's fully diluted share count after the completion of this offer now stands at 361,694,128 shares. This represents a 7.9% reduction in fully diluted shares as a result of this offer. This program, along with our continuing NCIB program demonstrates our firm commitment to improving shareholder returns as our mines complete their operational ramps ups and start delivering significant cash flow."

The Exchange Offer expired at 5:00 p.m. on July 3, 2012. 66,297,777 Warrants were validly tendered (the "Tendered Warrants") to the Exchange Offer, representing approximately 71% of the outstanding Warrants of Mandalay. All Tendered Warrants were taken up promptly following the expiry of the Exchange Offer, and an aggregate of 35,325,052 Common Shares will be issued in exchange for such Tendered Warrants (based on the Exchange Prices) within three business days of take-up.

After giving effect to the exchange, there will be 317,546,627 Common Shares and 26,888,535 Warrants outstanding. These Warrants outstanding are listed below by series.

<b>Warrant Series</b>	<b>Description</b>	<b>Number of Warrants Outstanding</b>
Series 2	Issued on August 6, 2010 with an exercise price of \$0.33 and an expiry date of August 6, 2012	49,435
Series 3	Issued on April 22, 2009 with an exercise price of \$0.20 and an expiry date of April 22, 2014	0
Series 4	Issued on July 22, 2009 with an exercise price of \$0.20 and an expiry date of July 22, 2014	0
Series 5	Issued on October 15, 2009 with an exercise price of \$0.465 and an expiry date of October 15, 2014	0
Series 6	Issued on November 30, 2009 with an exercise price of \$0.31 and an expiry date of November 30, 2014	15,919,100
Series 7	Issued on November 30, 2009 with an exercise price of \$0.465 and an expiry date of November 30, 2014	10,920,000

This press release is for information purposes only and is not an offer to buy or sell or the solicitation of an offer to buy or sell any Warrants or Common Shares.

### **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.

## **Forward-Looking Statements**

This news release contains "forward-looking statements" within the meaning of applicable securities laws. 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 30, 2012, a copy of which is available under Mandalay's profile at [www.sedar.com](http://www.sedar.com). 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.