



## MANDALAY RESOURCES CONTINUES INFILL AND EXTENSIONAL DRILLING ON N- AND CUFFLEY LODES AT ITS COSTERFIELD GOLD-ANTIMONY MINE, VICTORIA, AUSTRALIA

TORONTO, ON, July 17, 2014 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) is pleased to announce drill results from its infill and extensional drilling at the Costerfield gold-antimony mine, Victoria, Australia during the first half of 2014. Highlights include:

- *Cuffley lode* ([Figure 1](#) and Table 1)— New intercepts have infilled a 50 m by 100 m area of previously Inferred Mineral Resource at the southern end of the lode and added a further 50 m strike length of new mineralization. The Cuffley lode is now closed off to the south. New intercepts and mine development have also confirmed previously Inferred Mineral Resource in a trapezoid 100 m along strike at the top, 200 m along strike at the bottom, and 100 m down dip at the northern end of Cuffley.
- *N-lode* ([Figure 2](#) and Table 2)— New intercepts and vein development have infilled a 100 m by 50 m area of previously Inferred Mineral Resource along the bottom of N-lode.

In addition, initial drill testing of high priority new targets beneath and along the main lines of lode in the district ([Figure 3](#) and Table 3), including from south to north the Margarets, Augusta East, Tin Pot Gully, and Brunswick targets, has not yet generated evidence of a new orebody.

Brad Mills, CEO of Mandalay, commented, "The infill and extensional drilling results so far this year give us confidence in being able to once again increase our Reserves and Resources in the year-end 2014 estimations. In particular, drilling continues to generate some extremely high-grade intercepts on the Cuffley lode, for example AD093 (6.7 m true width at 31.4 g/t Au and 25.5% Sb), AD092A (0.63 m true width at 7.0 g/t Au and 43.9% Sb), AD076 (2.19 m true width at 19.7 g/t Au and 7.3% Sb), and AD074 (0.36 m true width at 44.5 g/t Au and 62.7% Sb). We plan to complete infilling the Cuffley lode extensions by the end of the year."

Mr. Mills continued, "We also drilled several wide step-out holes to test new targets along the Costerfield district strike. While no significant new discoveries were made in the brownfields drilling, previous high-grade intercepts at Margarets to the south and the Bombay-Minerva-Costerfield area to the north remain to be followed up. In addition, there are several targets off the main line-of-lode that have not yet been tested."

### **Costerfield drilling, sampling, and assaying**

During the first half of 2014, Mandalay drilled 14,462 m in 42 holes. In addition, the Company completed 2,299 m of on-vein operating development and associated sampling of the N- and Cuffley lodes. 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 March 28, 2014, Technical Report entitled "Costerfield Operation, Victoria, Australia NI 43-101 Report", available on SEDAR ([www.sedar.com](http://www.sedar.com)), which contains a complete description of drilling, sampling, and assaying procedures.)

## **Drill Results**

Table 1: New drill intercepts on Cuffley lode

Hole ID	Hole completion Date	Intercept Easting (Mine Grid, m)	Intercept Northing (Mine Grid, m)	Elevation (m)	True Width* (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)
AD070	29-Jan-14	15147.3	4696.4	916.2	0.12	8.4	7.9	1.7	183.5
AD071	3-Feb-14	15163.7	4696.8	850.3	0.15	43.1	0.0	3.6	260.8
AD072	4-Feb-14	15139.9	4628.0	930.5	0.8	4.0	0.9	2.7	198.4
AD073A	23-Jan-14	15145.0	4685.6	962.1	0.46	7.7	3.0	3.5	390.0
AD074	7-Feb-14	15153.5	4658.8	852.2	0.36	44.6	62.7	35.0	273.4
AD075	20-Dec-13	15142.6	4666.0	920.0	0.14	10.8	1.3	1.0	401.5
AD076	20-Feb-14	15137.2	4613.7	874.6	2.19	19.7	7.3	42.6	257.8
AD077	25-Feb-14	15105.4	4551.0	967.6	0.13	1.3	0.0	0.1	180.1
AD078	26-Feb-14	15134.0	4549.2	922.8	0.06	0.1	0.0	0.4	207.0
AD079	3-Mar-14	15135.4	4551.1	872.6	0.31	2.35	0.0	0.4	240.2
AD081	6-Jan-14	15196.0	5163.4	923.7	1.95	6.4	0.1	6.6	397.7
AD082	21-Jan-14	15203.7	5161.1	894.3	3.64	2.2	0.0	2.2	380.3
AD083	7-Feb-14	15195.0	5128.4	973.3	0.50	3.1	2.0	2.0	311.3
AD084	20-Feb-14	15203.4	5157.2	1035.7	0.13	1.3	0.0	0.1	260.3
AD085	17-Feb-14	15182.4	4738.1	815.4	0.20	2.2	0.0	0.2	404.8
AD086A	31-Mar-14	15161.2	4630.2	990.9	1.02	6.8	15.9	22.5	194.9
AD088	12-May-14	15170.9	4928.2	776.1	0.10	14.1	1.8	1.0	300.6
AD089	19-May-14	15169.3	4924.7	738.8	0.60	1.7	0.7	1.1	345.5
AD090	22-May-14	15191.2	4950.0	818.2	0.24	0.6	0.0	0.1	219.6
AD091	27-May-14	15203.3	4995.5	838.8	0.29	25.1	9.9	7.3	242.3
AD092A	2-Jun-14	15197.4	4991.1	879.4	0.63	7.0	43.9	34.7	233.6
AD093	5-Jun-14	15179.8	5088.5	850.5	6.70	31.4	25.5	314.5	250.4
AS001	21-Feb-14	15187.7	4806.7	1028.8	0.43	2.5	4.5	4.3	317.1
AS003	21-Mar-14	15188.4	4999.2	1079.2	0.02	0.6	0.0	0.0	266.5
CN001	5-Dec-13	15226.0	5347.0	1041.4	0.08	3.2	0.1	0.2	320.8
AD094	12-Jun-14	15174.3	5135.5	782.0	0.56	5.5	0.6	2.1	323.3

\*True width is a preliminary estimate only and may not reflect final true width used in resource estimate

\*\*AuEq(g/t) = Au(g/t) + Sb(%) x  $\bullet$ Price per 10 Antimony kilograms x Sb recovery $\bullet\bullet$  (%)

$\bullet$ Price per 1 Gold gram x Au recovery $\bullet\bullet\bullet$  (%)

$\bullet$ Gold factor used: 2.08;  $\bullet\bullet$ Total metallurgical Sb recovery 59.4%;  $\bullet\bullet\bullet$ Total metallurgical Au recovery 71%

Table 2: New drill intercepts on N-lode

Hole ID	Hole Compl. Date	Intercept Northing (Mine Grid)(m)	Intercept Easting (Mine Grid)(m)	Elevation (m)	True Width* (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)	
MH370	3-Dec-13	4859.8	15341.3	859.3	0.49	3.2	5.7	4.1	162	
MH355A	11-Dec-13	4695.9	15312.2	873.8	0.19	1.2	0.1	0.1	269.1	
MH359	9-Jan-14	4738.9	15317.1	873.9	1.62	3.2	2.1	6.7	285	
MH360	22-Jan-14	4776.0	15324.2	886.6	1.32	8.1	8.6	19.0	319.1	
MH368	15-Jan-14	No Significant Intersections								280.7
*True width is a preliminary estimate only and may not reflect final true width used in resource estimate										
**AuEq(g/t) = Au(g/t) + Sb(%) x Price per 10 Antimony kilograms x Sb recovery (%)										
Price per 1 Gold gram x Au recovery (%)										
Gold factor used: 2.08; Total metallurgical Sb recovery 59.4%; Total metallurgical Au recovery 71%										

Table 3: New drill intercepts testing for new targets

Hole ID	Hole Compl. Date	Intercept Northing (Mine Grid)(m)	Intercept Easting (Mine Grid)(m)	Elevation (m)	True Width* (m)	Gold Grade (g/t)	Antimony Grade (%)	AuEq (g/t) over 1.8m **	Total Hole Depth (m)	
AE001	2-Apr-14	No Significant Intersections								301.8
MM007	12-May-14	2981.8	14946.4	1125.0	0.05	7.1	5.0	0.49	148.9	
MM007	12-May-14	2981.8	14954.4	1118.2	0.13	1.8	7.4	1.27	148.9	
MM006	6-May-14	2868.4	14953.5	1103.8	0.08	1.9	0.9	0.17	200.3	
MB044	1-Apr-14	5617.9	14754.6	987.0	0.08	0.3	0.0	0.01	400.8	
MB043	8-Apr-14	5138.3	14649.8	1032.8	0.10	0.5	0.2	0.05	251.3	
MB045	17-Apr-14	5270.1	14675.2	999.3	1.32	0.6	0.0	0.5	338.4	
TP015	16-Apr-14	5489.8	15246.0	1035.6	0.12	3.6	0.0	0.2	350.6	
TP016	6-May-14	5816.3	15180.7	1138.1	0.10	4.9	2.9	0.57	371.5	
TP017	19-May-14	6014.9	15239.7	1001.6	0.25	0.7	0.0	0.10	354.1	
TP018	3-Jun-14	6445.2	15334.1	1139.6	0.08	1.2	0.0	0.05	312.6	

\*True width is a preliminary estimate only and may not reflect final true width used in resource

\*\*AuEq(g/t) = Au(g/t) + Sb(%) x Price per 10 Antimony kilograms x Sb recovery (%)

Price per 1 Gold gram x Au recovery (%)

Gold factor used: 2.08; Total metallurgical Sb recovery 59.4%; Total metallurgical Au recovery 71%

### **Qualified Person:**

Chris Gregory, General Manager of Australasian Corporate Development and Exploration for Mandalay Resources, is a Member of the Australian Institute of Geoscientists (AIG), and a Qualified Person as defined by NI 43-101. He has reviewed and approved the technical and scientific information contained in this release.

**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. 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, ongoing exploration plans and goals. 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 28, 2014, a copy of which is available under Mandalay's profile at [www.sedar.com](http://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.*