



Mandalay Resources Corporation Announces Production and Sales Results for the First Quarter, 2014

TORONTO, ON, April 14, 2014 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) announced today its production and sales results for the first quarter, 2014.

Brad Mills, Chief Executive Officer of Mandalay, commented: "Both of Mandalay's operations performed as planned in the first quarter. Costerfield delivered its first production from the Cuffley Lode. With Cuffley starting to contribute to production, we expect mined gold grades to rise over the next several quarters. Cerro Bayo completed substantially all of the mine development work necessary to increase production to 1,400 tonnes per day from the second quarter onward. These achievements give us confidence that we are on track to deliver on our 2014 production guidance. We expect the drilling program for the Challacollo feasibility study to commence in the second quarter."

Saleable production for the three months ended March 31, 2014:

- The Company produced a total of 13,195 ounces ("oz") gold ("**Au**"), 858 tonnes ("**t**") antimony ("**Sb**"), and 743,569 oz silver ("**Ag**"), representing a total of 31,449 oz of gold equivalent ("**Au Eq.**") production.
- Production at Costerfield (Australia) totalled 7,915 oz Au and 858 t Sb, greater volumes of both metals than in the first quarter of 2013. The production gain was due to increased plant throughput, higher gold grades and a full quarter of operation of the new gold room, which has increased the proportion of gold recovered to gravity concentrate.
- Production at Cerro Bayo (Chile) was 5,280 oz Au and 743,569 oz Ag, higher than the prior year quarter, due to higher tonnes mined and higher grades achieved. Capital development to support the planned 1,400 tonnes per day production rate is substantially complete and the plant flotation section has now been fully optimized to maximize recovery at the design concentrate silver grade using the automation equipment installed last year.

Table1 – Quarterly Saleable Production for 2014 and 2013

Metal	Source	3 months to 31 March 2014	3 months to 31 March 2013
Gold (oz)	Costerfield	7,915	6,203
	Cerro Bayo	5,280	4,432
	Total	13,195	10,635
Antimony (t)	Costerfield	858	766
Silver (oz)	Cerro Bayo	743,569	611,441
Average quarterly prices:			
Gold US\$/oz		1,292	1,630
Antimony US\$/tonne		9,758	11,128
Silver US\$/oz		20.47	30.03
Au Eq. (oz) ¹	Costerfield	14,391	11,432
	Cerro Bayo	17,058	15,696
	Total	31,449	27,128

¹ Quarterly Au Eq. oz produced is calculated by multiplying the saleable quantities of Au, Ag, and Sb in the period by the respective average market prices of the commodities in the period, adding the three amounts to get a "total contained value based on market price", and then dividing that total contained value by the average market price of Au in the period. Average Au price in the period is calculated as the average of the daily LME PM fixes in the period, with price on weekend days and holidays taken of the last business day; average Sb price in the period is calculated as the average of the daily average of the high and low Rotterdam warehouse prices for all days in the period, with price on weekend days and holidays taken from the last business day; average Ag price in the period is calculated as the average of the daily London Broker's silver spot price for all days in the period, with price on weekend days and holidays taken from the last business day. The source for all prices is www.metalbulletin.com.

Sales for the three months ended March 31, 2014:

- The Company sold 11,850 oz Au, 624 t Sb, and 772,116 oz Ag, representing a total of 28,869 oz Au Eq.
- Costerfield sold 7,046 oz Au and 624 t Sb; timing of shipments caused a temporary increase in concentrate inventory by the end of the quarter, which will be sold in the second quarter.
- Cerro Bayo sold 4,804 oz Au and 772,116 oz Ag, with shipments fully caught up from minor delays due to Chilean port strikes early in the quarter and since resolved.

Table 2 – Quarterly Quantities Sold for 2014 and 2013

Metal	Source	3 months to 31 March 2014	3 months to 31 March 2013
Gold (oz)	Costerfield	7,046	5,881
	Cerro Bayo	4,804	4,115
	Total	11,850	9,996
Antimony (t)	Costerfield	624	755
Silver (oz)	Cerro Bayo	772,116	631,736
Average quarterly prices:			
Gold US\$/oz		1,292	1,630
Antimony US\$/tonne		9,758	11,128
Silver US\$/oz		20.47	30.03
Au Eq. (oz) ²	Costerfield	11,757	11,033
	Cerro Bayo	17,033	15,753
	Total	28,790	26,786

²Quarterly Au Eq. oz sold is calculated by multiplying the saleable quantities of Au, Ag, and Sb in the period by the respective average market prices of the commodities in the period, adding the three amounts to get a “total contained value based on market price”, and then dividing that total contained value by the average market price of Au for the period. The source for all prices is www.metalbulletin.com with price on weekend days and holidays taken of the last business day.

Mandalay reiterates its 2014 production guidance released previously:

	Total	Cerro Bayo	Costerfield
Saleable silver production	3.0 – 3.2 million oz	3.0 – 3.2 million oz	
Saleable gold production	60,000 – 70,000 oz	23,000 – 27,000 oz	37,000 – 43,000 oz
Saleable antimony production	3,000 – 3,300 t		3,000 – 3,300 t

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, including statements regarding the Company's production of gold, silver and antimony for the 2014 fiscal year. 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. In addition, there can be no assurance that any 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.