



Mandalay Resources Corporation Reports Strong Fourth Quarter and Record Full Year Production and Sales Results for 2013 and Reiterates 2014 Production Guidance

TORONTO, ON, January 16, 2014 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) announced today its production and sales results for the fourth quarter and full year 2013. The Company is also re-affirming its production guidance for 2014.

Brad Mills, Chief Executive Officer of Mandalay, commented "The strong fourth quarter at both operations led to record metal production from both operations for the full year: Costerfield produced 28,758 ounces of gold and 3,275 tonnes of antimony, while Cerro Bayo produced 21,482 ounces of gold and 3,145,537 ounces of silver. Total gold equivalent production for the year was 126,908 ounces, approximately 18% greater than the previous record year of 2012. Total gold equivalent sales were 126,095 ounces, approximately 22% greater than the previous year."

Mr. Mills continued, "Both our planned growth projects are on track, supporting our reiteration of 2014 production guidance and continuing our organic growth trajectory. At Costerfield, the Cuffley decline has reached the target Cuffley mineralization and on-vein drifting is exposing the vein as we expected from the resource model. As stated previously, we expect to be able to convert the Cuffley Measured and Indicated Mineral Resource declared in the September 2013 Preliminary Economic Assessment (see Mandalay news release dated September 10, 2013) to Proven and Probable Mineral Reserves in the year-end 2013 Mineral Reserves update anticipated for release later in the first quarter of 2014. Construction of the return air shaft and escapeway for Cuffley, on the critical path to continuing development and making a production decision, is nearly complete. At Cerro Bayo, the second access to the Delia NW vein is also proceeding on schedule, which will allow us to increase nominal production to about 1,400 tonnes per day by the end of the first quarter of 2014."

"I wish to thank all Mandalay staff for their strong efforts this year, helping us extend our organic growth plans and providing the foundation for continued excellent business performance in the current metal price environment."

Saleable Production

Saleable production for the three months ended December 31, 2013:

- The Company produced a total of 12,117 ounces ("oz") gold ("Au"), 805 tonnes ("t") antimony ("Sb"), and 878,542 oz silver ("Ag"), representing a total of 32,770 oz of gold equivalent ("Au Eq.") production.
- Production at Costerfield (Australia) was 6,845 oz Au and 805 t Sb.
- Production at Cerro Bayo (Chile) was 5,272 oz Au and 878,542 oz Ag.

Saleable production for the year ended December 31, 2013:

The Company's annual 2013 production volumes, both total Company production and production from each operation, are records under Mandalay ownership.

- The Company's production totaled 50,240 oz Au, 3,275 t Sb, and 3,145,537 oz Ag, representing a total of 126,908 oz of Au Eq.
- Production at Costerfield was 28,758 oz Au and 3,275 t Sb.
- Production at Cerro Bayo was 21,482 oz Au and 3,145,537 oz Ag.

Table 1 – Quarterly and Annual Saleable Production for 2013 and 2012

Metal	Source	3 months to 31 December 2013	3 months to 31 December 2012	Year ended 31 December 2013	Year ended 31 December 2012
Gold (oz)	Costerfield	6,845	5,907	28,758	18,036
	Cerro Bayo	5,272	5,020	21,482	17,089
	Total	12,117	10,927	50,240	35,125
Antimony (t)	Costerfield	805	785	3,275	2,481
Silver (oz)	Cerro Bayo	878,542	895,222	3,145,537	2,911,595
Average quarterly prices:					
Gold US\$/oz		1,271	1,717		
Antimony US\$/tonne		9,940	12,317		
Silver US\$/oz		20.76	32.57		
Au Eq. (oz) ¹	Costerfield	13,143	11,539	52,911	37,075
	Cerro Bayo	19,627	21,998	73,997	70,866
	Total	32,770	33,537	126,908	107,941

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. Year-end Au Eq. oz is the total of the quarterly oz derived as above.

Sales for the three months ended December 31, 2013:

- The Company sold 12,578 oz Au, 959 t Sb, and 769,120 oz Ag, representing a total of 32,648 oz Au Eq.
- Costerfield sold 7,620 oz Au and 959 t Sb.
- Cerro Bayo sold 4,958 oz Au and 769,120 oz Ag.

Sales for the Year ended December 31, 2013:

All the Company's annual sales volumes for 2013, both total Company production and production from each operation, are records under Mandalay ownership.

- The Company sold 49,495 oz Au, 3,254 t Sb, and 3,148,886 oz Ag, representing a total of 126,095 oz Au Eq.
- Costerfield sold 27,883 oz Au and 3,254 t Sb.
- Cerro Bayo sold 21,612 oz Au and 3,148,886 oz Ag.

Table 2 – Quarterly and Annual Quantities Sold for 2013 and 2012

Metal	Source	3 months to 31 December 2013	3 months to 31 December 2012	Year ended 31 December 2013	Year ended 31 December 2012
Gold (oz)	Costerfield	7,620	6,146	27,883	17,489
	Cerro Bayo	4,958	5,068	21,612	16,216
	Total	12,578	11,214	49,495	33,705
Antimony (t)	Costerfield	959	809	3,254	2,395
Silver (oz)	Cerro Bayo	769,120	891,145	3,148,886	2,766,380
Average quarterly prices:					
Gold US\$/oz		1,271	1,717		
Antimony US\$/tonne		9,940	12,317		
Silver US\$/oz		20.76	32.57		
Au Eq. (oz) ²	Costerfield	15,123	11,951	51,941	35,858
	Cerro Bayo	17,525	21,969	74,154	67,247
	Total	32,648	33,920	126,095	103,105

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. Au Eq. values for 2012 have been recalculated according to the above reporting policy. The source for all prices is www.metalbulletin.com with price on weekend days and holidays taken of the last business day. Year-end Au Eq. oz is the total of the quarterly oz derived as above.

Reiteration of 2014 Production Guidance

The Company is pleased to reiterate its full year production guidance for 2014.

	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
Gold Equivalent Production	130,000 – 143,000 oz		

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 27, 2013, 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.