



## **MANDALAY RESOURCES CORPORATION REPORTS PRODUCTION AND SALES FOR THE SECOND QUARTER OF 2013 AND IMPROVES 2013 FULL-YEAR GUIDANCE**

TORONTO, ON, July 10, 2013 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) announced today its production and sales results for the second quarter of 2013.

Brad Mills, Chief Executive Officer of Mandalay, commented, "Mandalay delivered strong operating performance in the second quarter of 2013. Both Costerfield and Cerro Bayo produced and sold record amounts of gold during the period, and Cerro Bayo produced record amounts of silver. Costerfield generated its third highest antimony production quarter ever. As expected, Cerro Bayo's record second quarter performance made up for lower production in the first quarter, which was related to the planned curtailment of plant operations during installation and commissioning of flotation automation equipment."

Mr. Mills continued, "Our performance in the first two quarters of 2013 and operating commitments for the balance of the year allow us confidence that full-year production will be at the upper end of our previously announced production guidance ranges of 16,000 – 21,000 ounces gold and 2.8 – 3.1 million ounces silver from Cerro Bayo and 2,800 – 3,000 tonnes antimony from Costerfield. At this time, we are pleased to raise our guidance for gold production from Costerfield from the previous 18,000 – 21,000 ounces to 20,000 – 25,000 ounces for the full year 2013. This is based on our experience with higher than planned mill feed gold grade and our growing confidence at being able to extract and sell a significant amount of coarse gold in gravity concentrate while maintaining high gold grades in our flotation concentrate. We expect to complete a Preliminary Economic Analysis on a new Life of Mine Plan for Costerfield, including the Cuffley lode, in the third quarter of 2013 and will make a development decision regarding Cuffley based on that analysis. We also anticipate releasing exploration updates from Costerfield and Cerro Bayo during the third quarter of 2013."

### **Saleable production for the three months ended June 30, 2013:**

- The Company's saleable production totaled 13,046 ounces ("oz") gold ("Au"), 738 tonnes ("t") antimony ("Sb"), and 921,895 oz silver ("Ag"), representing a total of 33,558 oz gold equivalent ("Au Eq.") production. Au, Ag, and Au Eq. production amounts set new quarterly records for Mandalay.
- Saleable production at Costerfield (Australia) was 6,879 oz Au and 738 t Sb.
- Saleable production at Cerro Bayo (Chile) was 6,167 oz Au and 921,895 oz Ag.

### **Saleable production for the six months ended June 30, 2013:**

- The Company's saleable production totaled 23,681 oz Au, 1,504 t Sb, and 1,533,336 oz Ag, representing a total of 60,686 oz Au Eq.
- Saleable production at Costerfield was 13,082 oz Au and 1,504 t Sb.
- Saleable production at Cerro Bayo was 10,599 oz Au and 1,533,336 oz Ag.

**Table 1. Second Quarter and Six Month Saleable Production for 2013 and 2012**

Metal	Source	3 months to 30 June 2013	3 months to 30 June 2012	6 months to 30 June 2013	6 months to 30 June 2012
Gold (oz)	Costerfield	6,879	4,122	13,082	7,812
	Cerro Bayo	6,167	5,093	10,599	7,283
	<b>Total</b>	<b>13,046</b>	<b>9,215</b>	<b>23,681</b>	<b>15,095</b>
Antimony (t)	Costerfield	<b>738</b>	<b>612</b>	<b>1,504</b>	<b>1,101</b>
Silver (oz)	Cerro Bayo	<b>921,895</b>	<b>814,970</b>	<b>1,533,336</b>	<b>1,211,594</b>
<b>Average quarterly prices:</b>					
Gold US\$/oz		1,415	1,614		
Antimony US\$/tonne		10,365	13,574		
Silver US\$/oz		23.19	29.39		
Au Eq. (oz) <sup>1</sup>	Costerfield	12,283	9,273	23,715	16,629
	Cerro Bayo	21,275	19,936	36,971	29,567
	<b>Total</b>	<b>33,558</b>	<b>29,209</b>	<b>60,686</b>	<b>46,196</b>

<sup>1</sup> 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](http://www.metalbulletin.com).

**Table 2. Second Quarter and Six Month Sales for 2013 and 2012**

Metal	Source	3 months to 30 June 2013	3 months to 30 June 2012	6 months to 30 June 2013	6 months to 30 June 2012
Gold (oz)	Costerfield	6,850	4,063	12,731	7,447
	Cerro Bayo	5,449	4,960	9,564	6,244
	<b>Total</b>	<b>12,299</b>	<b>9,023</b>	<b>22,295</b>	<b>13,691</b>
Antimony (t)	Costerfield	<b>763</b>	<b>608</b>	<b>1,518</b>	<b>1,058</b>
Silver (oz)	Cerro Bayo	<b>774,923</b>	<b>853,364</b>	<b>1,406,659</b>	<b>1,071,424</b>
<b>Average quarterly prices:</b>					
Gold US\$/oz		1,415	1,614		
Antimony US\$/tonne		10,365	13,574		
Silver US\$/oz		23.19	29.39		
Au Eq. (oz) <sup>2</sup>	Costerfield	12,441	9,173	23,474	15,927
	Cerro Bayo	18,149	20,503	33,902	25,877
	<b>Total</b>	<b>30,590</b>	<b>29,676</b>	<b>57,376</b>	<b>41,804</b>

<sup>2</sup> 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](http://www.metalbulletin.com) with price on weekend days and holidays taken of the last business day.

### **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 2013 fiscal year, the anticipated completion of a new Preliminary Economic Analysis for its Costerfield mine and the release of exploration updates for Costerfield and Cerro Bayo. 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](http://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.*