



Mandalay Resources Corporation Announces Production and Sales Results for the First Quarter, 2013

TORONTO, ON, April 18, 2013 — Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND) announced today its production and sales results for the first quarter, 2013.

Brad Mills, Chief Executive Officer of Mandalay, commented: "Mandalay's production and sales for the first quarter were in line with our expectations. Costerfield delivered another strong performance, continuing the trend of improvement of the last few quarters by achieving record gold production and near-record antimony production. This high level of production is expected to continue as the operation continues to ramp up production on N-Lode and begins development of the Cuffley Lode. As planned and previously announced, Cerro Bayo delivered lower production than the prior quarter as plant operating time was restricted due to the installation and commissioning of flotation automation equipment that is designed to improve recoveries of both gold and silver. In addition, lower grade ore was fed through the plant as part of the commissioning program for this new equipment. We expect ore grades to improve, along with recoveries, in the next three quarters and we expect to deliver the full 2013 production guidance over the course of the year."

Saleable Production for the three months ended March 31, 2013:

- The Company produced a total of 10,635 ounces ("oz") gold ("**Au**"), 766 tonnes ("**t**") antimony ("**Sb**") and 611,441 oz silver ("**Ag**"), representing a total of 27,128 oz of gold equivalent ("**Au Eq.**").
- Production at Costerfield (Australia) was 6,203 oz Au and 766 t Sb, significantly greater volumes of both metals than in the first quarter of 2012. The production increase was due to substantially higher mine output resulting from refinements to the cemented rock fill long-hole stoping mining method and plant throughput improvement enabled by the installation of a mobile crusher in the third quarter of last year.
- Production at Cerro Bayo (Chile) was 4,432 oz Au and 611,441 oz Ag, significantly greater than in the first quarter of 2012 due to higher grades and tonnes mined and processed as the mine completed its ramp-up to 1,200 tonnes per day as planned.

Table 1. Quarterly Saleable Mine Production for 2013 and 2012

Metal	Source	3 months to 31 March 2013	3 months to 31 March 2012
Gold (oz)	Costerfield	6,203	3,690
	Cerro Bayo	4,432	2,190
	Total	10,635	5,880
Antimony (t)	Costerfield	766	489
Silver (oz)	Cerro Bayo	611,441	396,624
Average quarterly prices:			
Gold US\$/oz		1,630	1,694
Antimony US\$/tonne		11,128	12,692
Silver US\$/oz		30.03	31.78
Au Eq. (oz) ¹	Costerfield	11,432	7,356
	Cerro Bayo	15,696	9,631
	Total	27,128	16,987

¹ Quarterly Au Eq. oz produced is calculated by multiplying the saleable quantities of Au, Ag, and Sb in the quarter by the respective average market prices of the commodities in the quarter, 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 quarter. Average Au price in the quarter is calculated as the average of the daily LME PM fixes in the quarter, with price on weekend days and holidays taken of the last business day; average Sb price in the quarter is calculated as the average of the daily average of the high and low Rotterdam warehouse prices for all days in the quarter, with price on weekend days and holidays taken from the last business day; average Ag price in the quarter is calculated as the average of the daily London Broker's silver spot price for all days in the quarter, with price on weekend days and holidays taken from the last business day. The source for all prices is www.metalbulletin.com.

The Company's sales quantities of all three metals closely matched production quantities, reflecting steady states of the Company's concentrate shipping processes.

Table 2. Quarterly Quantities Sold for 2013 and 2012

Metal	Source	3 months to 31 March 2013	3 months to 31 March 2012
Gold (oz)	Costerfield	5,881	3,384
	Cerro Bayo	4,115	1,284
	Total	9,996	4,668
Antimony (t)	Costerfield	755	450
Silver (oz)	Cerro Bayo	631,736	218,060
Average quarterly prices:			
Gold US\$/oz		1,630	1,694
Antimony US\$/tonne		11,128	12,692
Silver US\$/oz		30.03	31.78
Au Eq. (oz) ²	Costerfield	11,033	6,754
	Cerro Bayo	15,753	5,374
	Total	26,786	12,128

²Quarterly Au Eq. oz sold is calculated by multiplying the saleable quantities of Au, Ag, and Sb in the quarter by the respective average market prices of the commodities in the quarter, 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 quarter. 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.

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. 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.