



## **Mandalay Resources Secures US\$20 Million Revolving Credit Facility and Repays in Full Existing Loan Facility**

TORONTO, ON, June 8, 2012 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, MND.WT) announced today the closing of a one year, secured revolving credit facility (the "Facility") in the amount of US\$20 million and the repayment of the existing Sprott loan facility. The Facility is priced at LIBOR + 3.25%. The Facility was arranged by BMO Capital Markets, and the Facility will be used for general corporate purposes, including the funding of permitted acquisitions.

Brad Mills, Chief Executive Officer of Mandalay, commented: "The Company is now essentially debt free net of existing cash resources. The Sprott loan of C\$10 million was repaid in full on June 8, 2012 utilizing \$5 million in Company cash and \$5 million from the new Facility. Strong cash flow in the second quarter as a result of significantly higher shipments from both Cerro Bayo and Costerfield has enabled us to accelerate repayment of the existing loan and enter into the new Facility. This Facility significantly lowers our future financing costs and gives us greater flexibility with respect to working capital management and acquisitions."

### **For Further Information**

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Chief Executive Officer

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### **About Mandalay Resources Corporation**

Mandalay Resources is a Canadian-based natural resource company with producing and exploration assets in Australia and 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. 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 30, 2012, a copy of which is available under Mandalay's profile at [www.sedar.com](http://www.sedar.com). 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.