



MANDALAY RESOURCES PROVIDES UPDATE ON PUBLIC PROTESTS IN THE AYSÉN PROVINCE

Toronto, Ontario - February 24, 2012 -- Mandalay Resources Corporation ("Mandalay" or the "Company") (TSX: MND, MND.WT) announced today that, due to public protests in the Aysén Province of Chile, the Company's scheduled February shipment of concentrate from the Cerro Bayo mine has been delayed. The protests began approximately one week ago as a reaction to government action to reduce fuel subsidies. While the protests do not involve employees of the mine or relate to labour practices at the mine, they have resulted in the temporary closure of the port facilities and many of the roads in the province, including the road leading to the mine. At this time management is focused on the safety of employees and ensuring the integrity of operations. The Company cannot yet predict the duration of the protests or their ultimate impact on the shipping and production schedule for Cerro Bayo in 2012 and is actively assisting local authorities in their attempts to bring the protests to a peaceful and swift resolution.

For further information:

Bradford Mills
Chief Executive Officer

Greg DiTomaso
Investor Relations

Contact:
647.260.1566

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. Readers are cautioned not to place undue reliance on forward-looking statements, since actual results and developments may differ materially from those contemplated by these statements depending on, among other things, changes in commodity prices, general market and economic conditions, and success of future drilling. 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 31, 2011, 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.