



Mandalay Resources Comments on News Story Regarding Exploration at La Quebrada

Toronto, Ontario – January 6, 2012 – Mandalay Resources Corporation (“**Mandalay**” or the “**Company**”) (TSX:MND, MND.WT) noted that earlier today Market News Publishing Inc. distributed a news release entitled “Mandalay Trenches 1.28% Cu and 15 g/t Ag over 18 meters on La Quebrada Project, Chile.”

This news contained in the story was originally disseminated by Mandalay on September 28, 2006 and was re-distributed by Market News Publishing, Inc. without the approval or knowledge of current management. This news is over five years old and not material to the Company’s current exploration program at La Quebrada.

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About Mandalay Resources Corporation:

Mandalay is a Canadian-based natural resource company with production 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. 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.