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MANDALAY RESOURCES

Delivering Value, Earnings and Growth in 2012

Precious Metals Summit

April 2012



MANDALAY RESOURCES

Forward-looking statements

This presentation contains "forward-looking statements" within the meaning of applicable securities laws, including statements relating to life of mine production plans and exploration plans and the growth and strategy of Mandalay. 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, that exploration results at Cerro Bayo, Costerfield, and La Quebrada may not meet management's expectations, that Cerro Bayo and Costerfield capital, production and operating cost results may not meet current plans, that reclamation costs associated with Mandalay's Furioso property may exceed current estimates, and 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. 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.

Quality control and assurance

Quality control and assurance programs are implemented in line with the standards of National Instrument 43-101.

The exploration program at Costerfield is supervised by Chris Gregory (Member, Australian Institute of Geoscientists accredited Chartered Professional (Mining)), General Manager of Australasian Business Development for Mandalay and a Qualified Person as defined under National Instrument 43-101. Mr. Gregory regularly visits Costerfield, supervises the collection and interpretation of scientific and technical information contained in this presentation, and has reviewed and approved the presentation itself.

The exploration programs on the Cerro Bayo and La Quebrada projects are supervised by Ronald Lueth (Member: American Institute of Professional Geologists and an Idaho Registered Professional Geologist), General Manager of Mandalay Chile Ltda. and a Qualified Person as defined under National Instrument 43-101. Mr. Lueth visits the Cerro Bayo and La Quebrada projects often, supervises the collection and interpretation of scientific and technical information contained in this presentation, and has reviewed and approved the presentation itself.

Dr. Mark Sander (Member: AusIMM), Chief Operating Officer of Mandalay, has visited the Costerfield, Cerro Bayo, and La Quebrada projects several times during 2010 and 2011 and has supervised the preparation of this presentation.

Strategy: Build a portfolio of high quality producing assets with excellent exploration potential

What differentiates Mandalay is the discipline we bring to implementing the following principles:

Acquisition focus – Superior unrecognized upside potential

- Exploration
- Metallurgy
- Operational efficiencies
- Financial restructure/recapitalization

Low Cost Entry Point

- Acquire assets at a low cost relative to the ultimate value we believe the project may achieve as a result of good operational implementation & exploration success
- Use a combination of cash, equity, & debt to reduce dilution & leverage equity returns

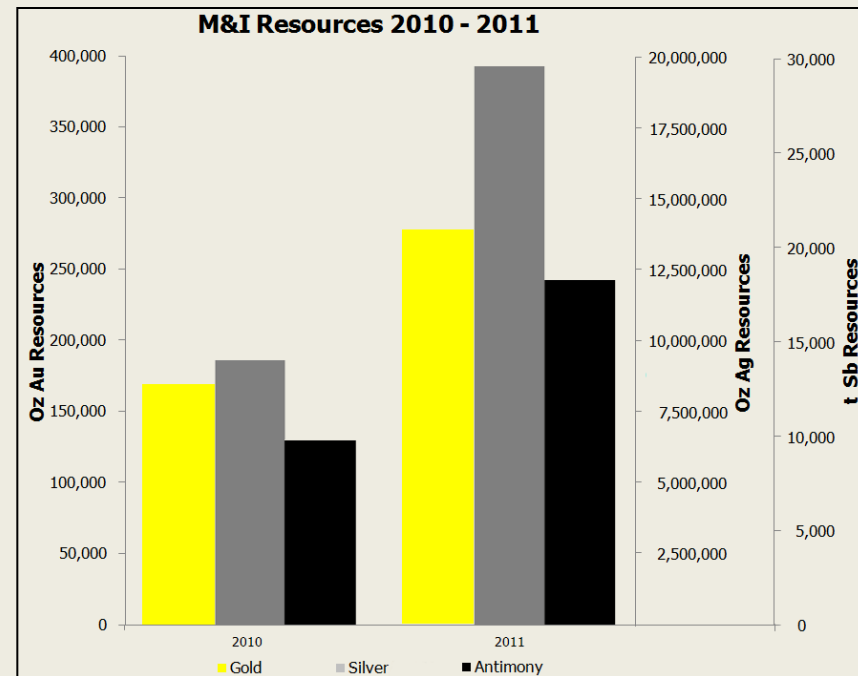
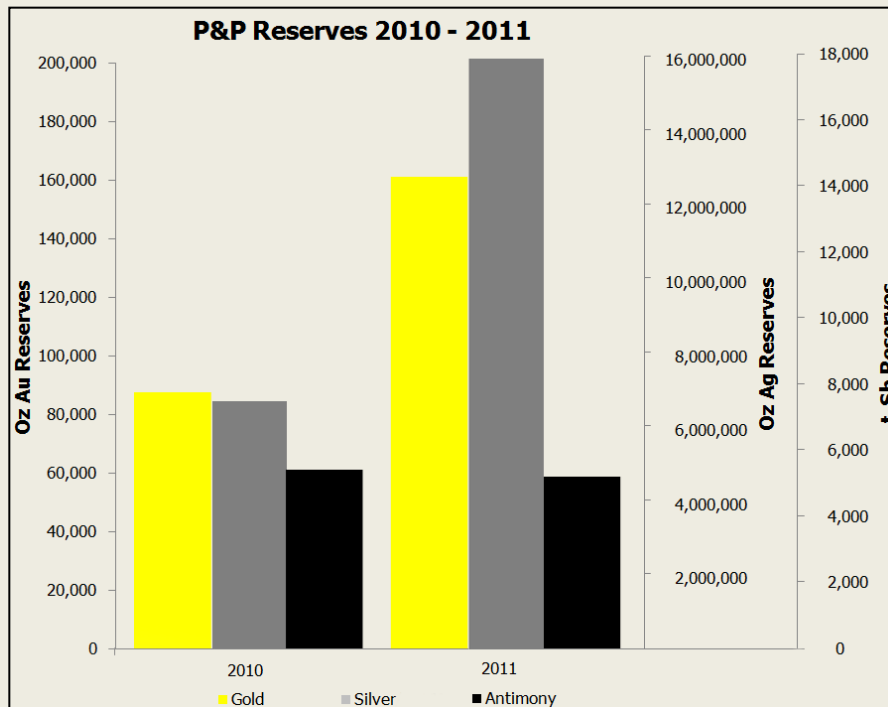
Cash Flow

- Focus on early cash flow from high margin deposits
- Reinvest cash in exploration, development, and operational improvements
- Deleverage as rapidly as possible

Returning Cash to Shareholders

- NCIB

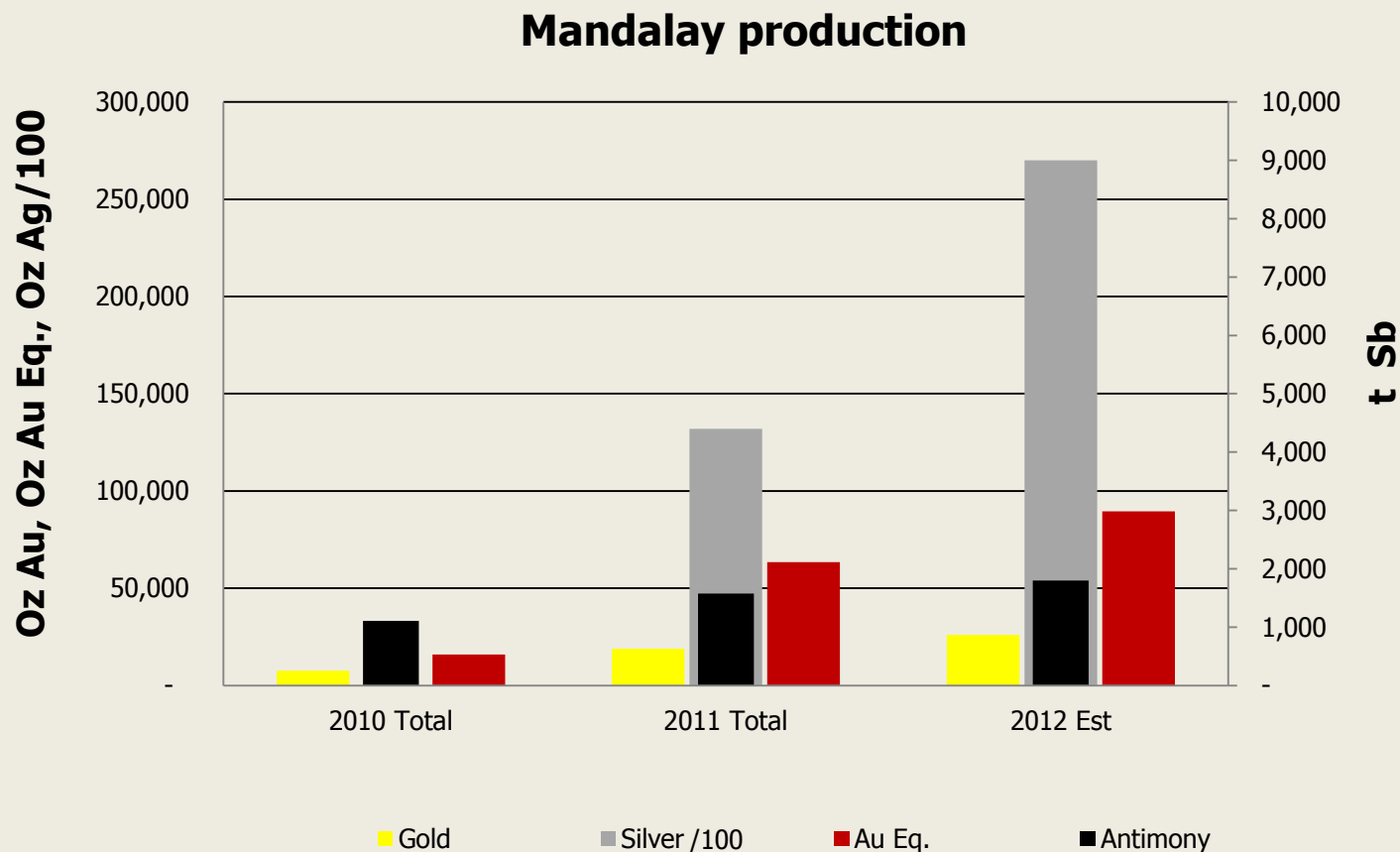
Growing reserves and resources



1 Source: Roscoe Postle Associates, February 2012, documented in an independent NI 43-101 report filed 30-Mar-2012.

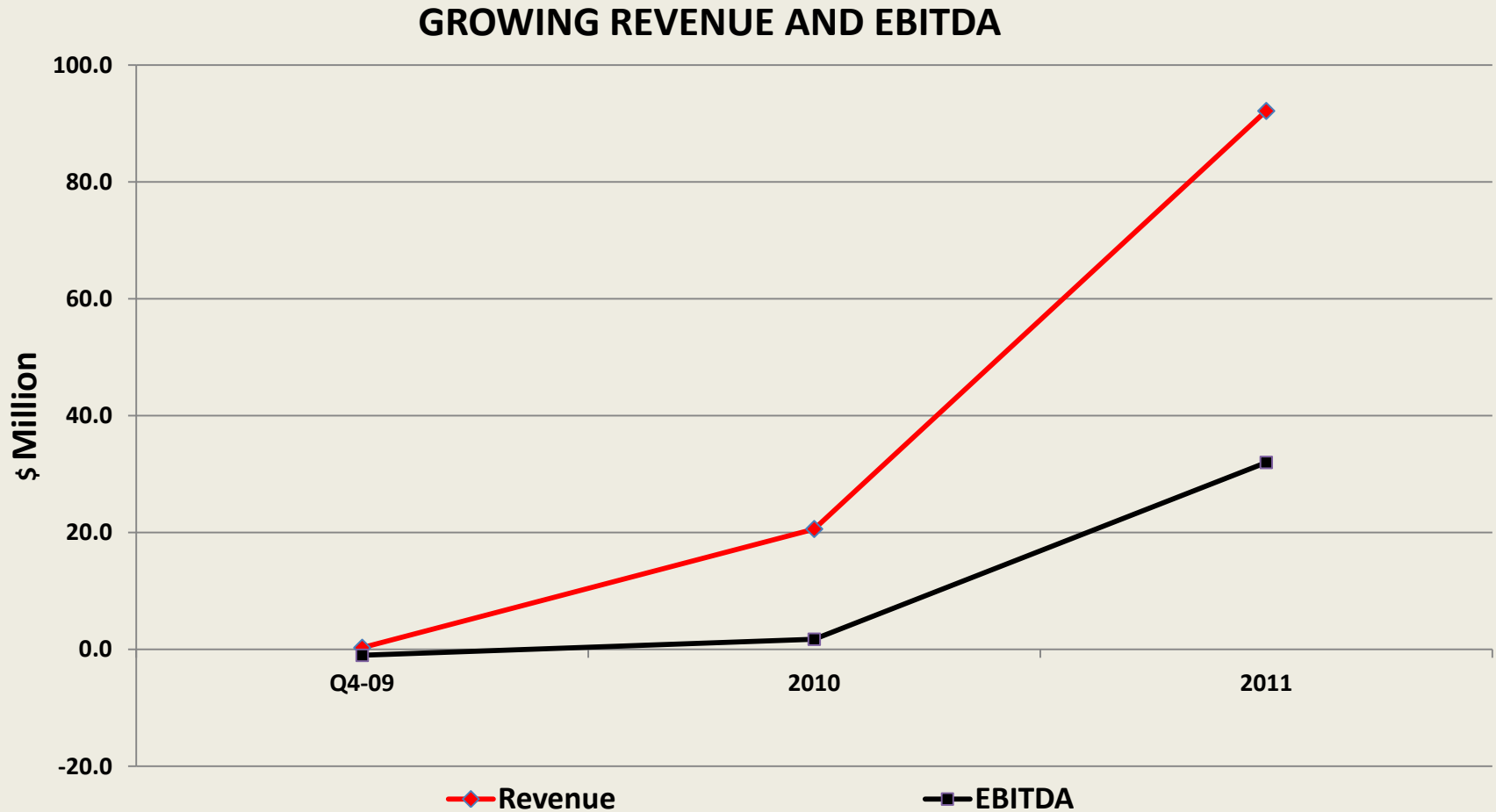
2 Source: Snowden Group, February 2012, documented in an independent NI 43-101 report filed 30-Mar-2012.

Growing production from acquired assets

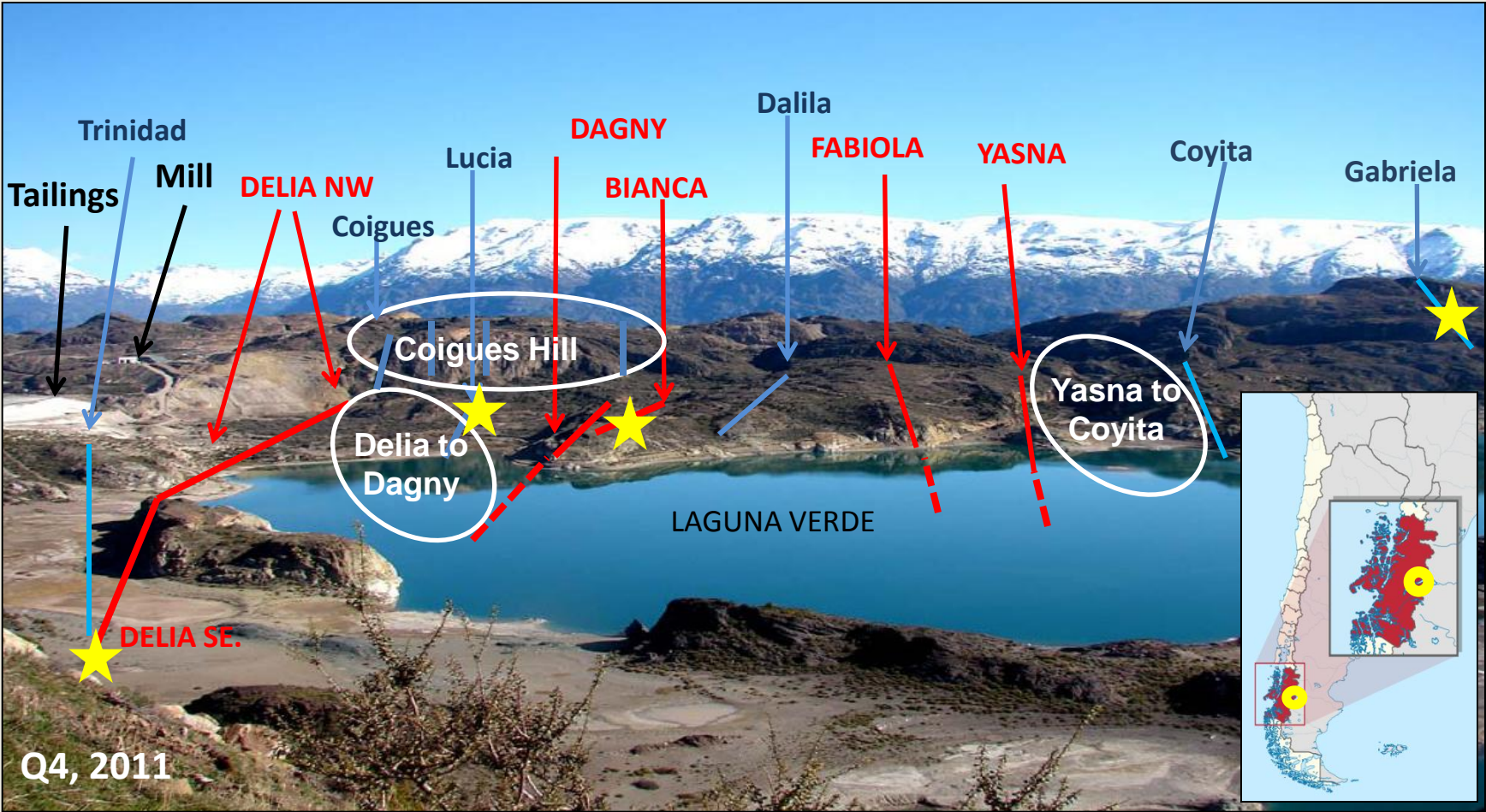


Ounces Au Equivalent production (oz Au Eq) is calculated by dividing total revenue in the period by the average LME (PM) gold price in the period

Growing revenue and EBITDA



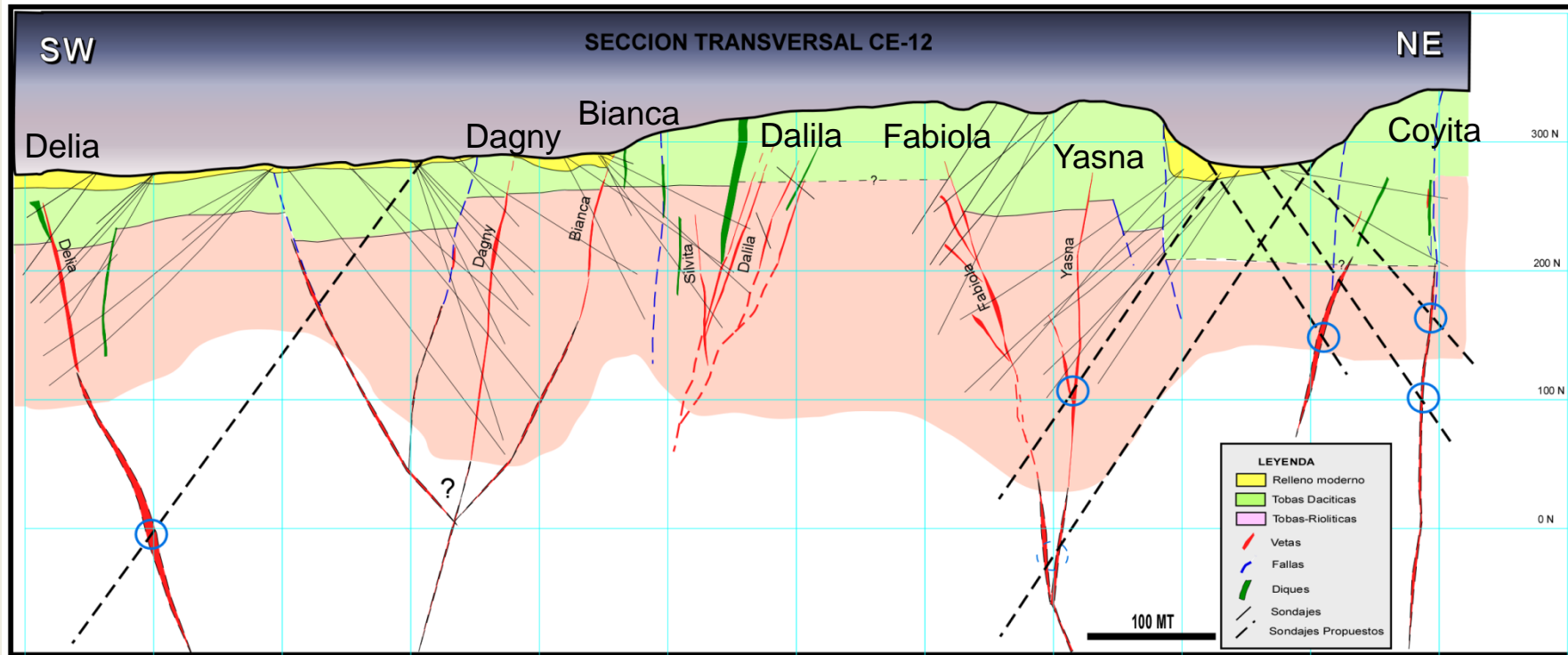
Cerro Bayo: Laguna Verde area



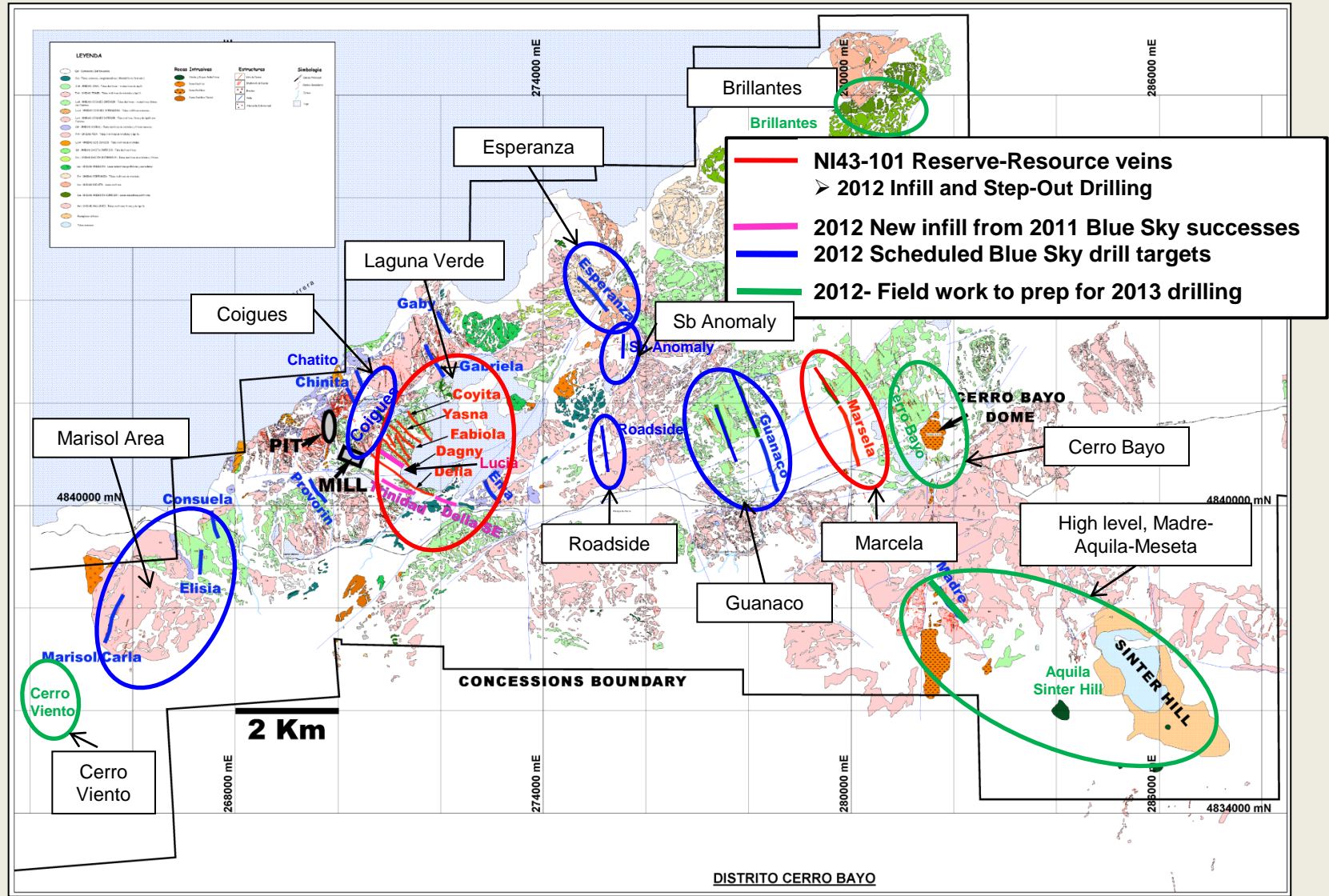
— Producing Mine or Planned mine (Vein Outcrop)
 — Exploration Vein
★ Discoveries

Laguna Verde: NE-SW cross section

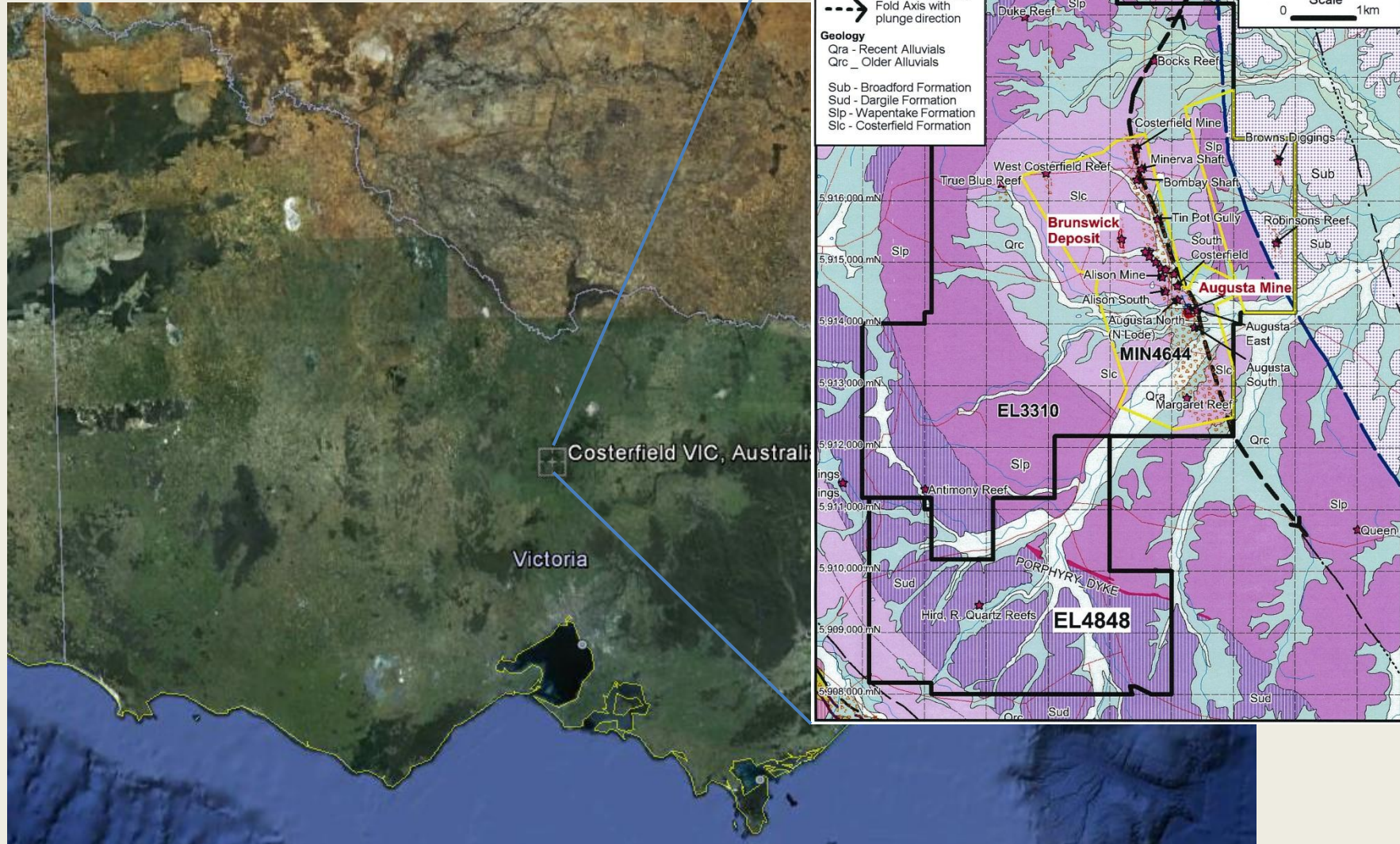
- Abundant economic veins at or near rhyolite-dacite contact
- All are blind; no outcropping ore



Cerro Bayo District: Target rich land package



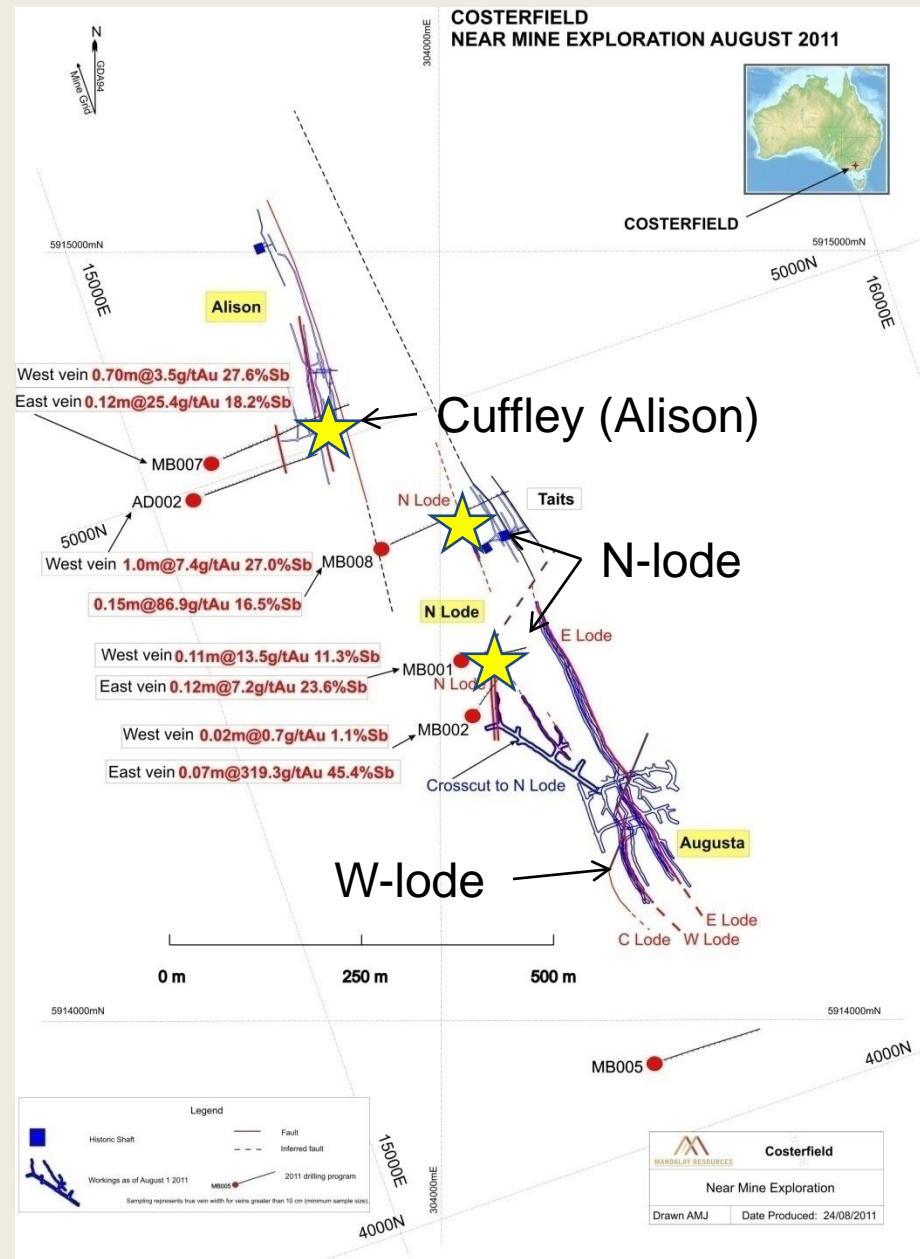
Costerfield project location



Costerfield exploration success

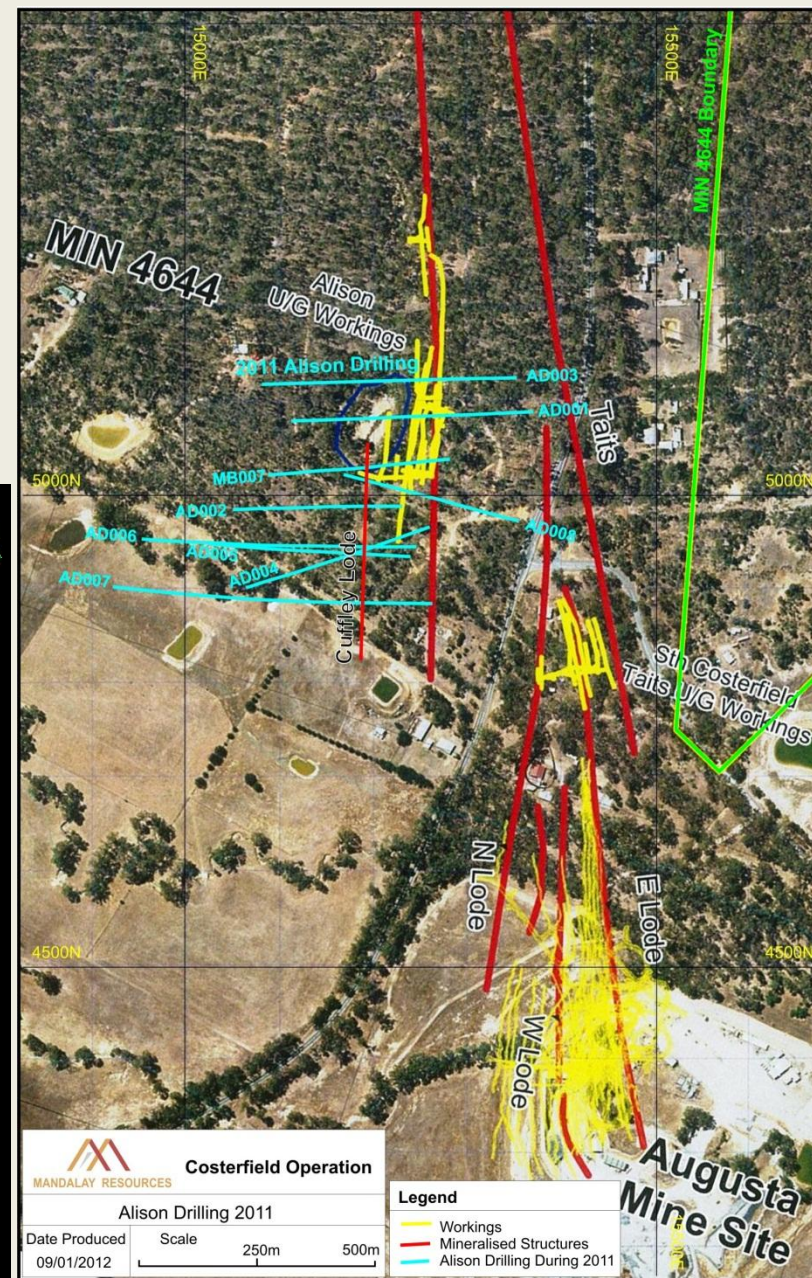
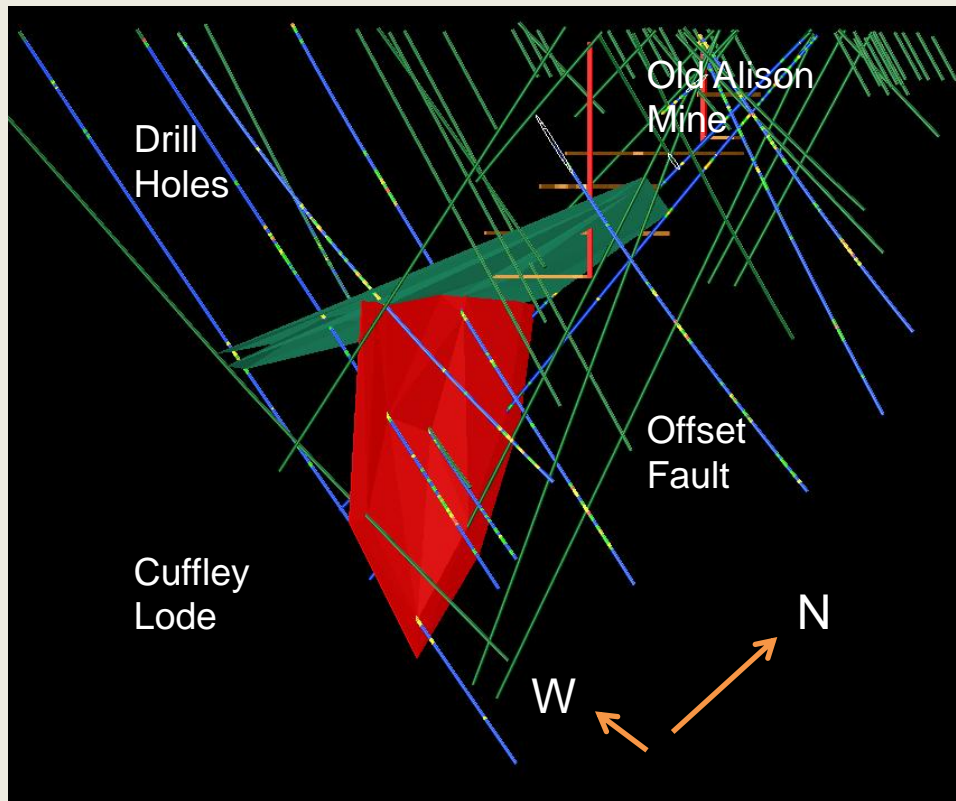
Successes to date:

- Multiple Cuffley intercepts
 - Up to 1 m thick
 - High-grade
- Multiple N-Lode intercepts
- Infill W-lode at depth



Cuffley deposit

- The old Alison lode structures are offset by a flat fault by approximately 40 m
- Offset theorized and tested by Mandalay geologist Brian Cuffley



Mandalay 2012 drill program

Mandalay's planned 2012 exploration program is summarized below:

| Project | Holes | Metres | Spending (US\$ MM) |
|--------------|------------|---------------|--------------------|
| Cerro Bayo | 200 | 70,250 | 10.3 |
| Costerfield | 51 | 13,300 | 3.5 |
| La Quebrada | 34 | 6,570 | 1.6 |
| TOTAL | 285 | 90,120 | 15.4 |

Drilling at Cerro Bayo is expected to focus on:

- Completing infill and extensional drilling of Delia SE and Marcela veins
- Extending Dagny, Fabiola and Yasna veins, currently being mined, towards Laguna Verde
- Next round of extensional and infill drilling on several satellite veins (e.g. Lucia, Trinidad) in the Laguna Verde area to convert them to a size large enough to mine from existing declines
- Initial drill testing of at least five new targets outside of the Laguna Verde mining area

Drilling at Costerfield is expected to focus on:

- Surface drilling to extend and fill in the inferred resource on the Cuffley lode
- Underground drilling to extend resources along the W-Lode and N-Lode
- Testing compelling brownfields targets

Drilling at La Quebrada is expected to focus on:

- Infilling Casa de Piedra mantos to support a maiden inferred resource estimated (expected 2H 2012)
- Extending and infilling (if warranted) the Leoncita target

Investment highlights for 2012

- A significant and growing producer of gold, silver and antimony from two mines

| | 2011 Production | 2012E Forecast Production |
|--------------|-----------------|---------------------------|
| Gold (oz) | 18,922 | 26,000 – 34,000 |
| Silver (oz) | 1,318,665 | 2,700,000 – 3,000,000 |
| Antimony (t) | 1,576 | 1,800 – 2,200 |

- Cerro Bayo – Developing third mine; full production @ 1,200 tpd in Q4, 2012
 - Doubled reserves and mine life at year-end 2011
 - 8 rigs currently drilling infill, extension, and new targets
 - 2012 flotation automation project; Delia SE mine permitting
- Costerfield – At design production rate of 200 tpd
 - Augusta mine reserves replaced in 2011; new resource at Cuffley (Alison) lode
 - 3 rigs on site defining Cuffley lode and Augusta lode extensions
 - Successful introduction of cemented rock fill methods; 24:7 ore production
- La Quebrada – Infill drilling for inferred resource in 1H, 2012
- Price protection program in place for 2012: 75.7% of silver production guaranteed at \$31.14/ounce, and 70.1% of gold production guaranteed at \$1,400/ounce

2012 goals:

Cerro Bayo

- Complete the ramp-up of the Delia NW mine, achieving total sustained production of 1,200 t/day by Q4, delivering an annual rate of 30,000 oz Au and 3-4 million oz Ag
- Install and commission the flotation automation project for higher recovery
- Repeat the significant increase in mineable reserves delivered in 2011
- Drill test at least the five best blue-sky targets and generate new targets

Costerfield

- Continue decline and development to lower levels in Augusta
- Continually refine CRF stoping method for higher productivity and lower cost
- Mine and mill average 6,000 tpm ore
- Thoroughly drill test Cuffley lode and deliver Preliminary Economic Analysis
- Continue Augusta Deeps drill exploration from underground, focus on W and N-lode

Portfolio

- La Quebrada – Infill drill Casa de Piedra and deliver NI 43-101 inferred resource
- Acquire at least one new high quality project to the portfolio