

29 November 2012

Ms Tonia Oliveira  
ASX Limited  
Level 8  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

#### UPDATE ON DISCUSSIONS WITH THE DPI VICTORIA

Mandalong Resources Limited (**Company**) is pleased to provide an update in relation to ongoing discussions with the Victorian Department of Primary Industries (**DPI**) in relation to the failure of the Vendor to meet minimum expenditure on EL 5224 (**Tenement**) in each of the last two years.

As outlined in the prospectus issued by the Company dated 7 September 2012 (**Prospectus**), the DPI had requested the submission of an area work plan and the payment of a \$10,000 bond against future minimum expenditure requirements. The Company is pleased to announce it has now received confirmation of the respective ownership interests in the Tenement, approval of the area work plan and the registration of the bond.

As at the date of this letter, the Company is not aware of any legal impediment to the Company accessing and undertaking exploration activities on the Tenement and spending money in accordance with the budgeted expenditure in the Prospectus.

Yours faithfully



**Sunil Dhupelia**  
**NON-EXECUTIVE CHAIRMAN**  
**MANDALONG RESOURCES LIMITED**