



Mandalay Resources and West Face Capital Inc. Announce Closing of Secondary Offering of Common Shares and Exercise in Full of Over-allotment Option

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TORONTO, ON, September 9, 2014 – Mandalay Resources Corporation (TSX: MND) (“Mandalay”) and a fund advised by West Face Capital Inc. (“West Face”) announced today the closing of the previously announced secondary offering (the “Offering”) by West Face of 40,000,000 common shares of Mandalay (the “Common Shares”) at a price of \$1.10 per Common Share (the “Offering Price”) for gross proceeds to West Face of \$44,000,000. The Offering was completed on a bought deal basis and was underwritten by BMO Capital Markets (“the Underwriter”). The Underwriter also exercised its over-allotment option in full, resulting in the purchase of an additional 6,000,000 Common Shares at the Offering Price and thereby increasing the aggregate gross proceeds to West Face to \$50,600,000. West Face now holds 90,987,938 Common Shares, representing approximately 26.6% of the outstanding Common Shares.¹

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Mandalay Resources Corporation

Mandalay Resources is a Canadian-based natural resource company with producing assets in Australia and producing and development projects in Chile. Mandalay is focused on executing a rollup 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.

About West Face Capital Inc.

West Face Capital Inc. is one of Canada's leading alternative investment managers combining control-through-distressed, high-yield, negotiated finance, proactive equity, and private equity activities. West Face's capabilities are underpinned by a seasoned multi-disciplinary investment team, proprietary origination channels, deep sector expertise, and the ability to address investment targets in domestic and international markets.

¹ 23.2% pro-forma the acquisition by Mandalay of Elgin Mining Inc. (assuming the maximum amount of Common Shares to be issued) expected to close on or about September 10, 2014.

For further information

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Forward-Looking Statements

This news release contains “forward-looking statements” within the meaning of applicable securities laws, including statements related to the closing of the acquisition by Mandalay of Elgin Mining Inc. 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, 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 28, 2014, a copy of which is available under Mandalay's profile at 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.