



MANDALAY RESOURCES

Elgin Mining Shareholders Overwhelmingly Approve Plan of Arrangement with Mandalay Resources

TORONTO, ON, September 3, 2014 – Mandalay Resources Corporation (TSX: MND) (“Mandalay”) is pleased to announce that at the Special Meeting of the Shareholders of Elgin Mining Inc. (TSX: ELG) (“Elgin Mining”) held earlier today, Elgin Mining received overwhelming approval for the resolution approving the plan of arrangement (the “Arrangement”) pursuant to which Mandalay will acquire all of the outstanding common shares of Elgin Mining.

Of the 96,049,017 votes cast, 95,874,017 (or 99.82%) voted in favour of the special resolution approving the Arrangement (and 93,126,351 of 93,301,351 (or 99.81%) of the minority votes cast).

Under the Arrangement, Elgin Mining shareholders will receive in exchange for each Elgin Mining share, consideration consisting of C\$0.37 cash or 0.4111 of a Mandalay common share, subject to proration to a maximum of 50,000,000 shares and maximum of C\$27 million cash.

Subject to the satisfaction or waiver of all remaining closing conditions, Mandalay currently expects the closing of the Arrangement to take place on or about September 10, 2014.

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 development projects in Chile. Mandalay 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 securities legislation and which are based on the expectations, estimates and projections of management of Mandalay as of the date of this news release unless otherwise stated. Forward-looking statements are generally identifiable by use of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" or the negative of these words or other variations on these words or comparable terminology. More particularly, and without limitation, this news release contains forward-looking statements and information concerning expectations regarding the consideration to be issued pursuant to the transaction. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary court, stock exchange and regulatory approvals and the ability of the parties to satisfy, in a timely manner, the conditions to the closing of the transaction, as well as other uncertainties and risk factors set out in filings made from time to time by Mandalay with the Canadian securities regulators, including, without limitation, Mandalay's annual information form dated March 28, 2014, which is available on SEDAR at www.sedar.com. Actual results, developments and timetables could vary significantly from the estimates presented. Readers are cautioned not to put undue reliance on forward-looking statements.