



**MANDALAY RESOURCES**

**MANDALAY RESOURCES CORPORATION  
COMPLETES 5.875% DEBT FINANCING**

*Financing Size Increased to US\$60 Million*

TORONTO, ON – May 14, 2014 – Mandalay Resources Corporation (“Mandalay” or the “Company”) (TSX:MND) is pleased to announce that it has completed the 5.875% debt financing that was described in the Company’s press releases of April 23, 2014 and April 29, 2014.

The financing proceeds were raised by way of a concurrent offering of senior exchangeable bonds (the “Bonds”) issued by Gold Exchangeable Limited (the “Issuer”), an unaffiliated special purpose vehicle incorporated in Jersey. The Company, through its wholly owned subsidiary Mandalay Resources Finance Limited, borrowed the proceeds of the Bond offering from the Issuer under the terms of a loan agreement and related funding agreement which together mirror the principal terms of the Bonds.

The Bond offering was completed immediately prior to the closing of the financing. As a result of additional demand for the Bonds following pricing, the Bond offering raised US\$60 million, a US\$10 million increase over the amount that was announced at pricing on April 29, 2014. Accordingly, the size of Mandalay’s financing also increased to US\$60 million. Mandalay intends to use the net proceeds from the financing for general corporate purposes.

Bradford Mills, CEO and Director of Mandalay, commented “Mandalay is pleased to have completed this financing and to have successfully increased the amount of funding between pricing and closing. These funds give Mandalay flexibility to continue to pursue compelling growth opportunities while also funding capital requirements associated with our existing projects.”

In connection with the completion of the financing, Mandalay has cancelled its secured revolving corporate loan facility with Bank of Montreal. No amounts were drawn under the loan facility at the time of cancellation.

KNG Securities LLP acted as Lead Manager and sole Bookrunner in respect of the offering of the Bonds.

For Further Information:

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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. 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, including statements regarding the Company's intention to obtain the debt financing described above. 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](http://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.*