



MANDALAY RESOURCES

MANDALAY RESOURCES CORPORATION ANNOUNCES DEBT FINANCING PRICING AND AMOUNT

TORONTO, ON -- April 29, 2014 – Mandalay Resources Corporation (“Mandalay” or “the Company”) (TSX:MND) is pleased to announce that the pricing of the debt financing it announced on April 23, 2014 has been fixed at 5.875% per annum. The amount of the financing is US\$50 million. Mandalay intends to use the net proceeds from the financing for general corporate purposes.

The pricing and size of the financing are based on the pricing and terms of a proposed private placement offering of US\$50 million of senior exchangeable bonds (the “Bonds”) by Gold Exchangeable Limited, an unaffiliated special purpose vehicle incorporated in Jersey (the “Issuer”). The Company, through its wholly owned subsidiary Mandalay Resources Finance Limited (the “Borrower”), intends to borrow the proceeds of the Bond offering from the Issuer under the terms of a loan agreement and related funding agreement (together, the “Loan Agreements”) which together mirror the terms of the Bonds. The performance of the Borrower’s obligations under the Loan Agreements will be guaranteed by the Company to the Issuer. In connection with the finalization of the terms of financing, the Company has also agreed that its guarantee of the Borrower’s obligations will be secured by first ranking pledge of all of the shares of Mandalay Resources Australia Pty Limited, which owns and operates Mandalay’s Costerfield mine in Australia.

The Bonds, which will have a maturity date of five years from the issue date, will be issued at par and carry a coupon of 5.875% per annum payable quarterly in arrears. The Bonds will be exchangeable into ordinary shares of the NYSE Arca listed SPDR GOLD exchange tradable fund (the “GLD Shares”) at an initial exchange price of US\$149.99 which is a premium of 20% above the VWAP of GLD Shares on April 29, 2014 (currently equivalent to a gold price of approximately \$1,556 per oz). Further details regarding the terms of the Bonds and the Loan Agreements, subject to the revised terms described herein are set out in the Company’s press release of April 23, 2014.

Bradford Mills, CEO and Director of Mandalay, commented “Mandalay is very pleased to be able to obtain five year financing at an attractive rate. We expect that this financing, in addition to internally generated cash resources, will allow Mandalay to fully fund its anticipated Challacollo capital requirements through start up. This financing will also give us additional corporate flexibility as we continue to look for compelling growth opportunities.”

Closing of the Bond offering and the Borrower’s loan from the Issuer is expected to take place on or around May 13, 2014. Completion of the proposed loan from the Issuer to the Borrower is subject to completion of the Issuer’s Bond offering. KNG Securities LLP is acting as Lead Manager and 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. In addition, there can be no assurance that the proposed debt financing will be completed on the terms and conditions described herein or at all. 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.