



Mandalay Advances Bridge Loan to Elgin Mining

TORONTO, ON and VANCOUVER, BC, July 31, 2014 – Mandalay Resources Corporation ("**Mandalay**") (TSX: MND) announced today that it has advanced, by way of the previously disclosed convertible bridge loan, approximately C\$5 million to Elgin Mining Inc. ("**Elgin**") (TSX: ELG).

Elgin used the proceeds of the loan to repay its existing loan from Sprott Resource Lending Partnership ("**Sprott**") and has now settled all outstanding reclamation obligations relating to its former coal operations in Kentucky.

The bridge loan bears interest at a rate of 10% per annum, has a term of six months, is convertible into Elgin common shares at Mandalay's option at a price of C\$0.157 per share, and is secured by, among other things, a pledge of all of the shares of Elgin's Swedish subsidiaries (Björkdalsgruvan Aktiebolag and Björkdal Exploration AB).

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. 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.