



## **Mandalay Resources Provides Update on Elgin Mining Transaction and Enters into Amended and Restated Arrangement Agreement**

TORONTO, ON, July 25, 2014 – Mandalay Resources Corporation ("**Mandalay**") (TSX: MND) is pleased to provide the following update on the previously announced transaction with Elgin Mining Inc. ("**Elgin**") (TSX: ELG). Elgin has now reached a resolution of all outstanding reclamation obligations relating to its former coal operations in Kentucky, and these are to Mandalay's satisfaction. The parties have also entered into an amended and restated arrangement agreement ("**Amended and Restated Arrangement Agreement**") dated July 25, 2014 with respect to the previously announced acquisition by Mandalay of all the outstanding common shares of Elgin for consideration consisting of C\$0.37 cash or 0.4111 of a Mandalay common share per Elgin common share, subject to pro ration, by way of plan of arrangement (the "**Arrangement**"). Mandalay now expects the closing of the Arrangement to take place on or about September 10, 2014.

The Amended and Restated Arrangement Agreement increases the amount of cash consideration available to C\$27 million (from C\$25 million as previously disclosed) in order to accommodate any exercise of Elgin Mining's outstanding share purchase warrants ("**Warrants**") as a result of Elgin Mining's acceleration of the expiry date of its Warrants to August 26, 2014. As a result of such acceleration, no Warrants will be outstanding after the close of business on August 26, 2014.

### **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 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, the ability of Mandalay to consummate the transaction on the terms and in the manner contemplated thereby and the expected timing of the closing of the Arrangement. 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 time required to prepare and mail meeting materials to Elgin shareholders, the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary court, shareholder, 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](http://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.*