



MANDALAY RESOURCES CORPORATION ANNOUNCES PROPOSED US\$60 MILLION DEBT FINANCING

TORONTO, ON - April 23, 2014 - Mandalay Resources Corporation ("Mandalay" or "the Company") (TSX:MND) announced today that it intends to borrow US\$60 million from Gold Exchangeable Limited, an unaffiliated special purpose vehicle incorporated in Jersey (the "Issuer"). The Issuer has today launched a proposed private placement offering of US\$60 million of senior exchangeable bonds (the "Bonds") and 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.

Mandalay is pursuing the financing in order to take advantage of attractive market conditions that provide an opportunity to secure long-term financing at favourable terms. Mandalay intends to use the proceeds for general corporate purposes.

Mandalay notes that:

- the Bonds will become due five years from issuance (the "Maturity Date"), will be issued at par and are expected to carry a coupon of between 5.0% and 5.5% per annum payable semi-annually in arrears;
- the Bonds will be exchangeable into shares of the NYSE Arca listed SPDR GOLD exchange tradable fund (the "GLD Shares") at an initial exchange price to be set at a premium of 25% above the closing price of the GLD Shares on the business day immediately prior to the pricing date. The exchange price will be subject to adjustment pursuant to the final terms and conditions of the Bonds;
- the Issuer will have the right to redeem all outstanding Bonds at par plus accrued but unpaid interest (i) on or after the date falling three years plus one month after the Issue Date (as defined below) if the closing price of the GLD Shares exceeds 130% of the then prevailing exchange price or (ii) if 15% or less of the principal amount of the Bonds originally issued remains outstanding; and
- as security for its obligations under the Bonds, the Issuer will be required to deposit into a custody account, in quarterly instalments over the fourth and fifth years of the term of the Bonds, the aggregate number of GLD Shares issuable upon exchange of the Bonds.

As noted, the Borrower's obligations under the Loan Agreements will mirror the terms of the Bonds and will be guaranteed by Mandalay. Among other things, this means that the Borrower will be required to make interest and principal payments to the Issuer in amounts and at times that coincide with the Issuer's obligations under the Bonds. The Borrower will also be required to provide the Issuer with all funding it requires from time to time to satisfy its obligations to deliver GLD Shares (i) into the custody account, as security for the Bonds and (ii) upon the exchange of Bonds in accordance with their terms.

The final terms of the Bonds (and thus the Loan Agreements) are expected to be announced by the end of this week and closing of the Bond offering and the Borrower's loan from the Issuer is expected to close on or around April 29, 2014. Completion of the proposed loan from the Issuer to the Borrower is subject to completion of the Issuer's Bond offering.

For Further Information:

Bradford Mills
Chief Executive Officer

Greg DiTomaso
Investor Relations

Contact:
+1.647.260.1566

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. 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.