

Mandalay Resources Corp.

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Mandalay Resources Corp eyeing positive momentum in 2020 as Australia mine conditions hit third quarter output

Mandalay Resources Corp (TSE:MND) said it expects its Australia mine to ramp up into 2020 as it reported that production in the third quarter had been impacted by poor mining conditions there.

The metals miner operates the Costerfield mine in Australia and the Björkdal mine in Sweden.

In the latest quarter to September 30, the firm sold a total of 16,132 ounces of gold and 412 tonnes of antimony, representing a total of 17,814 ounces of gold equivalent.

That was down from 15,144 ounces of gold and 486 tonnes of antimony in the same period of 2018, representing a total of 18,450 ounces of gold equivalent.

At Costerfield, the firm produced 3,103 ounces of saleable gold and 402 tonnes of saleable antimony, due to persisting poor ground conditions in the Brunswick lode affected the production rate and lowered the grade.

Björkdal continued to be 'dependable', said Mandalay, with 11,880 ounces of gold produced in the third quarter compared to 8,504 ounces in the same quarter last year.

"The poor gold recoveries and lower grades due to dilution in the Brunswick lode are expected to continue to impact Costerfield's production for the first six months of 2020," noted Dominic Duffy, the president and CEO at Mandalay.

"However, as the Youle lode ramps up this becomes less relevant and from the third quarter of 2020, it is anticipated that the Youle lode will be the sole feed source for the Costerfield mine."

The company boss said that at Björkdal, production continued in line with expectations, while mining at the open pit was paused at the end of July.

"We anticipate an increase in production in the fourth quarter as we recommence the mining of a higher-grade skarn zone, after infill drilling was carried out during the third quarter. In addition, we plan to increase the production rate from the Aurora zone as more levels are developed. We remain on target to achieve full-year guidance at Björkdal."

Duffy said that despite positive developments expected at both mines during the fourth quarter and beyond, production and recovery issues related to the Brunswick deposit meant the 2019 estimates for production and unit costs needed to be updated.

The firm now expects overall output for the year to be between 72,000 and 84,000 gold equivalent ounces at average cash costs of US\$975 - US\$1,125 per ounce.

Price: 0.72

Market Cap: \$65.58 m

1 Year Share Price Graph



April 2019 September 2019 March 2020

Share Information

Code: MND

Listing: TSX

52 week	High	Low
	1.57	0.46

Sector: Gold & silver

Website: www.mandalayresources.com

Company Synopsis:

Mandalay Resources creates exceptional shareholder value through the acquisition of undervalued assets that can rapidly become cash generative, self fund exploration, establish and maintain high operating margins and return cash to shareholders within a planned period of time.

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That compares previously to estimates of 85,000 ounces to 101,000 ounces at an average cash cost per gold equivalent ounce of US\$850 to US\$980.

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Twenty	Five	Thousand	dollars	(\$25,000).
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