

Mandalay Resources Corp.

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Mandalay Resources delivers more strong production and sales in its second quarter

Mandalay Resources Corporation (TSE:MND) (OTCQB:MNDJF) has posted another strong period of production and sales in its second quarter and sees further operational improvements ahead despite issues surrounding the coronavirus (COVID-19) pandemic.

For the three months to June 30, 2020, the miner generated 24,752 ounces of saleable gold equivalent, versus 19,500 ounces in 2Q, 2019, which was its best consolidated gold output result since the fourth quarter of 2017, the company told investors.

READ: Mandalay Resources seeing exploration success at both its Australian and Swedish mines

Both its operating mines performed strongly, but Costerfield in Australia stood out again, with excellent results continuing at the Youle vein, producing 13,502 gold equivalent ounces, the firm added.

Mandalay also sold 933 tonnes of antimony from Costerfield in the period - the highest tonnes sold since the second quarter of 2016.

"The plant processed an average head grade of 11.23 g/t and 4.2% of gold and antimony, respectively, over the quarter," Mandalay CEO Dominic Duffy said in a statement.

"These were significant achievements considering that lower grade Brunswick ore was still blended and milled and the first levels of development in Youle are reaching the lower grade extents of the deposit.

"We expect to mine out the rest of the Brunswick orebody in the third quarter of 2020, and anticipate a stable level of production from Costerfield for the third quarter and a lift in the fourth quarter as stoping in the Youle vein ramps up," the CEO added.

Mandalay also revealed that it is advancing a project to improve tailings recovery from Costerfield with commissioning of the infrastructure need expected by the fourth quarter of 2020. Total capex for this is expected to come in at under C\$300,000.

Meanwhile, at Björkdal in Sweden, the firm said second-quarter production showed improvements compared to the previous quarter, but still came in under the firm's forecast rates as the company resolved issues on moving ore from underground.

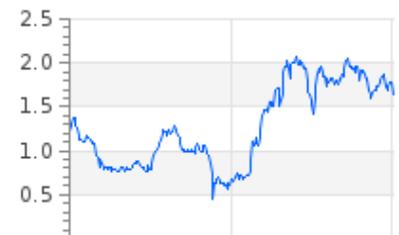
Despite this, May and June were the best two months of production at the Swedish asset so far this year, Duffy pointed out, who said it demonstrated that the mine was on track for improved production in the final half of 2020.

The company boss noted that the COVID-19 pandemic continued to create "potentially significant uncertainties and

Price: 1.65

Market Cap: \$150.46 m

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: MND

Listing: TSX

52 week High Low
2.12 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.

action@proactiveinvestors.com

difficulties" and Mandalay continues to closely monitor the situation in both Australia and Sweden. It will make adjustments, if necessary, the group said, and business continuity plans are in place.

Shares in Toronto nudged up 2.25% to C\$1.82 each.

---Updates for share price---

Contact the author at giles@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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