

# Mandalay Resources Corp.

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## Mandalay Resources reports "excellent" financial performance in second quarter amid rising gold price

Mandalay Resources Corporation (TSE:MND) (OTCQB:MNDJF) has reported what it called an "excellent" financial performance in its second quarter, thanks to improvements at its mines in Australia and Sweden and the rising gold price.

The metals producer said in a statement covering results for the three months to June 30, 2020, that its strong financial position would provide for further exploration and allow it to continue its bid to grow the firm organically.

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

Adjusted earnings before interest, tax, depreciation and amortization (EBITDA) came in at US\$21.2 million for the three month period, up from US\$4.1 million at the same stage last year. Revenue was US\$42.3 million, also up considerably versus US\$26.3 million seen in 2019.

The miner highlighted that group revenue in the first half of this year was US\$42.2 million, more than four times the US\$9.4 million seen in the first half of 2019.

At the Costerfield mine in Australia, the second quarter was another period of high production with averaged processed grades of 11.2 grams per ton (g/t) gold and 4.2% antimony, noted Mandalay CEO Dominic Duffy.

"(The) high production rate coupled with the higher gold prices resulted in a record quarterly revenue of \$22.9 million, a 12% improvement relative to the previous quarter, and an adjusted EBITDA margin of 67% during the quarter. Going forward, we expect these grades to remain constant for the third quarter and begin to lift going into the fourth quarter and 2021 as stoping is ramped up in the Youle vein," he told investors in the results statement.

Meanwhile, in Sweden, Björkdal delivered another steady quarter of gold production with 11,250 ounces, an improvement from the previous quarter, which led to US\$19.5 million in revenue and US\$7.2 million in adjusted EBITDA for the second quarter of 2020, Duffy said.

"With May and June being the best two production months of the year to June, we expect Björkdal to improve operationally and financially in the coming quarters as we develop the higher-grade lower levels of Aurora and benefit from the improved haulage rates we are now obtaining from the underground workings" he added.

In the second quarter, Mandalay sold 4,922 more gold equivalent ounces than in the second quarter of 2019 and its realized gold price increased by 30% versus the 2019 period.

The cash cost per ounce of US\$904 was 20% lower than the prior year quarter, mainly due higher production and lower

**Price:** 2.15

**Market Cap:** \$196.14 m

### 1 Year Share Price Graph



January 2020 July 2020 January 2021

### Share Information

**Code:** MND

**Listing:** TSX

**52 week High Low**  
 2.48 0.46

**Sector:** Gold & silver

**Website:** [www.mandalayresources.com](http://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](mailto:action@proactiveinvestors.com)

cost of sales, the firm added.

Mandalay held cash of US\$20.9 million at the end of the second quarter, similar to the end of the first quarter, not least because it had to pay around US\$5 million in costs after a drawdown from the syndication as part of the final repayment of gold bonds.

The firm also noted that currently it expects this strong operating performance to continue, however, the coronavirus (COVID-19) pandemic does create some uncertainty. It said it is maintaining its existing 2020 production guidance but will continue to closely monitor the situation in both Australia and Sweden and will make adjustments, if necessary.

Shares gained 6.7% to stand at C\$1.92 in Toronto.

Contact the author at [giles@proactiveinvestors.com](mailto:giles@proactiveinvestors.com)

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Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

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