

Mandalay Resources Corp.

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Mandalay Resources releases updated mineral resources and reserves estimate for Björkdal mine

Mandalay Resources Corp (TSE:MND) (OTCMKTS:MNDJF) released encouraging news Thursday after it updated its mineral resources and reserves estimate for its Björkdal gold mine in northern Sweden.

According to the company, it approximately replaced depletion for production at the Björkdal mine in 2018 while measured and indicated mineral resources for contained gold increased slightly, as of December 31, 2018.

READ: Mandalay Resources closes C\$43M offering

"We are pleased to have replaced depletion at Björkdal and maintained the operation's 10-year mine life," said president and CEO Dominic Duffy in a statement. "In 2018, the focus of Mandalay's exploration strategy at Björkdal shifted from adding ounces and extending mine life to discovering higher-grade ore sources that would improve mine economics. This shift in exploration focus yielded very exciting results, as late last year the company announced the discovery of the Aurora zone which has shown to be a significantly wider structure containing higher average grades than current production, with extensions up and down dip which are currently unconstrained."

Aurora discovery is encouraging

According to the company, initial mineral resources and reserves for the Aurora structure were "very encouraging."

It said as of a drilling cut-off date of September 30, 2018, the amount added from the Aurora discovery was 765,000 tonnes at 3.16 grams/tonne (g/t) gold for approximately 78,000 ounces of gold in the indicated resource category and 206,000 tonnes at 3.37 g/t gold for 22,000 ounces in the inferred resource category.

The company added that it also added mineral reserves from Aurora of 920,000 tonnes at 2.34 grams/ton gold for 69,000 gold ounces.

"We expect that Aurora will contribute additional mineral reserves and resources to Björkdal in 2019 based on existing drilling data that has not yet been incorporated into the estimate," said Duffy. "Further drilling has occurred on the Aurora structure since the cut-off date and is scheduled to continue over the course of 2019, as we focus on extensional drilling up and down dip as well as to the east. We also plan to drill from the surface to test up dip extension to the Aurora structure, as well as to test prospective zones surrounding Aurora, where no exploration has occurred to date."

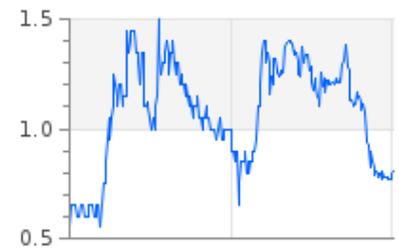
Lake Zone also promising

The company said it has also identified a smaller, but high-grade Lake Zone inferred resource of 57,000 tonnes at 7.63 g/t gold for approximately 14,000 gold ounces as of the drilling cut-off date.

Price: 0.81

Market Cap: \$73.75 m

1 Year Share Price Graph



November 2018 May 2019 November 20

Share Information

Code: MND

Listing: TSX

52 week High Low
1.6 0.5

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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"Exploration during 2019 will also focus on identifying other high-grade skarn mineralization pockets," added Duffy.

Shares of Mandalay Resources were at C\$0.10 on Thursday.

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