Mandalay Intercepts 578 g/t Gold and 20% Antimony over 0.47 Metres at True Blue, a Potential Costerfield Mine Extension

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TORONTO, Jan. 28, 2025 - Mandalay Resources Corp. ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to announce high-grade drill results at its True Blue prospect adjacent to the operating Costerfield gold-antimony mine in Victoria, Australia.

Highlights of True Blue:

- High grades intercepted in upward extension of 2024's maiden Inferred Mineral Resource:
  - 578.0 g/t gold and 20.5% antimony over 0.47 m (ETW 0.33 m) in TB031
  - 16.8 g/t gold and 2.4 % antimony over 3.98 m (ETW 2.56 m) in TB027
    - *Including 172.0 g/t gold and 19.2% antimony over 0.37 m*
  - 161.0 g/t gold over 0.19 m (ETW 0.15 m) in TB029
- Drill testing and soil geochemistry indicate an extensive system with the potential to replicate Costerfield's Central Corridor which has sustained mining the past 15 years;
- Structural continuity interpreted on 600 m of strike, leaving 3.4 km of the system yet to be tested; and
- Follow-up drilling at True Blue has commenced with now two rigs mobilizing to further define mineralization and increase deposit confidence.

Frazer Bourchier, President and CEO, commented:

"Mandalay has been producing gold and antimony at Costerfield since we acquired the project 15 years ago. We are excited to see True Blue emerging as a potential new frontier for Costerfield, marking an exciting new chapter for Mandalay. This development reinforces our standing position as a growing gold producer and as the leading Western source of the strategic mineral antimony. Exploration continues to be a key strategic pillar for growth, with a minimum of $9 million allocated for the first half of 2025."

Chris Davis, VP of Exploration and Operational Geology, commented:

"Exploration at True Blue has revealed geological similarities to the mined Central Corridor. These parallels in host lithology, structural setting, and fluid transport systems underscore the exceptional potential of True Blue.

"These results represent a significant breakthrough, intercepting high-grade mineralization with visible gold and stibnite (antimony mineral) veins. Mineralization extends 130 metres along strike with strong potential for expansion. The surface expression of the system lies 300 metres above these high-grade intercepts, highlighting its significant vertical extent. Encouragingly, drilling also confirmed down-dip mineralization at 590 metres depth with further potential. Step-out drilling of 600 metres to the south uncovered a wide anomalous mineralized zone of approximately 250 metres, with assays up to 3.8 g/t gold, highlighting the system's continuity and scale.

"Mandalay is committed to unlocking the full potential of True Blue through an extensive extensional drilling program. Two rigs will commence follow-up drilling in the coming weeks, with results expected in the months ahead. Additional drill metres and drill rig intensity will be determined by staged assessments, as we work toward building a robust Mineral Resource to potentially extend Costerfield's mine life."

Drill Program Details

The True Blue prospect sits approximately 2 km to the west of the Youle and Shepherd deposits currently being mined by Mandalay. Mining of gold and antimony in the area began in 1861 and since Mandalay took ownership in December 2009, 577,000 ounces of gold and 65,000 tonnes of antimony have been mined at an overall grade of 9.1 g/t gold and 3.3 % antimony. This has been extracted from three major development areas along a 6 km mineralized "Central Corridor", from the Augusta mine in the south to the Youle mine in the north. True Blue has the potential to be another corridor of production with surface workings and soil geochemistry anomalism indicating a system spanning 4 kilometres in strike length (Figure 1).

Figure 1. Map of Costerfield exploration tenements and mining licence depicting the location of the main production areas within the central corridor and the True Blue prospect.

Following the successful commencement of mining at Youle several years ago, Mandalay has completed a comprehensive assessment of the Costerfield mineral field. From this assessment, a number of targets were identified and drilled. With significant results coming from the initially prioritized Browns and Robinson deposits, the initial potential of True Blue was not realised until late 2022 when targeted drilling intercepted antimony mineralization.

The next phase of drilling was undertaken through 2023-2024, confirming lower-grade southern structural continuity and an exceedingly high grade up-dip extension that displays not only continuity of high antimony endowment but also the introduction of coarse gold, occurring both within stibnite (antimony ore) and quartz. Highlights of this drilling include 16.8 g/t gold and 2.4 % antimony over 3.98 m (ETW 2.56 m) in TB027 and 578.0 g/t gold and 20.5% antimony over 0.47 m (ETW 0.33 m) in TB031 located 130m further north (Figure 2).

Figure 2. Longitudinal section of the most continuous veinset interpreted from the True Blue drilling data. Note that there is additional drilling of this system up dip, however this is in a parallel but separate veining network. The immediately up-dip extension of the vein set in this long section is untested. Drillholes are annotated with composites over 2.0 g/t AuEq when diluted to 1.8 m.

The geometry of True Blue is similar to that of the Youle deposit, consisting of subvertical to west-dipping veins hosted by the western limb of an anticline (figure 3). Like Youle and Shepherd, structural continuity of the True Blue mineralized veins is remarkably consistent over the drill-tested area. This consistency is attributed to being hosted in the same lithology and the central corridor.

Interacting fault structures, chiefly the west-dipping Bearded and Komodo Faults, also play an integral part in the formation of the typical Costerfield style mineralization identified at True Blue. Encouragingly the Bearded Fault has been found to be mineralized, with 161.0 g/t gold over 0.19 m (ETW 0.15 m) recovered in TB029. These west-dipping faults are interpreted to be contemporaneous with and genetically similar to the highly mineralized host fault of the Youle deposit. This correlation allows comparison of True Blue with observations already made during mining at Youle and enables the acceleration of predictive modelling for further exploration.

Following predictions based on a Youle-like model applied to the current understanding of True Blue, a deeper hole (TB026) was drilled with the aim of testing the Komodo Fault down-dip of its modelled interaction with vertical mineralization. Sub-vertical stibnite veins were intercepted at a depth of 590m below surface with an intercept grading 1.6 g/t gold and 1.7 g/t gold over 1.16 m (ETW 0.82 m), an exciting result despite the Komodo Fault being intercepted further down hole than expected resulting in the targeted geological setting not being fully tested.

Figure 3. Cross section at 7300N of the True Blue mineralization as interpreted by drilling to date. Intercepts from TB027 and TB031 do align with the interpreted veining and appear to be east and west of the veining,

however this is due to off section effects.

The veining at True Blue is generally subvertical in nature, often consisting of a cluster of individual narrow veins concentrated within a 0.5 m-thick zone controlled by subtle anticline-parallel foliation, however in some areas parallel mineralized veinlets persist up to 5 m from the main veining (Figure 4).

Mineralization within these intercepts range from quartz dominant to stibnite dominant, with gold occurring as visible grains often in clusters up to 0.4 cm diameter within both quartz and stibnite (Figure 5 inset). Gold has also been observed in the form of "veinlets" within stibnite of up to 3 cm in length and 0.2 mm in width, which is unusual for Costerfield (Figure 6 inset).

Hydrothermal white-mica and carbonate alteration is widespread within the wall rock and provides further vectoring potential as exploration continues. Carbonate spotting in particular is observed at greater intensity than the bulk of other Costerfield deposits. Fine-grained pyrite and euhedral arsenopyrite is present proximal to the mineralized veins.

Figure 4. Photograph of True Blue intercept from TB027 (16.8 g/t gold & 2.4 antimony over 3.98 m (ETW 2.43 m).

Figure 5. Photograph of True Blue intercept interpreted to be the Bearded Fault from TB029 - 161.0 g/t gold over 0.19 m (ETW 0.15 m) with inset showing close-up of visible gold within a quartz matrix at 571.25 m down hole.

Figure 6. Photograph of True Blue intercept from TB031 - 578.0 g/t gold over 0.47 m (ETW 0.33 m) with inset showing close-up of visible gold within a stibnite matrix at 525.50 m down hole.

Applying Costerfield's Central Corridor as an analogous model (supported by the numerous structural and mineralogical similarities observed) to the geochemical footprint of the True Blue prospect, Mandalay expects that the 4 kilometre strike of the line has the potential to host several economic deposits in addition to the zone that is being currently drill tested.

In 2024, Mandalay drilled 2 step-out holes south of the known True Blue vein system. One intercepted a very wide mineralized zone, containing arrays of mineralized veins over a down hole length of approximately 250 m, with individual assays reaching up to 3.8 g/t gold and 2.3% antimony. Although these results are lower grade and disseminated throughout the drill hole, such intercepts are unprecedented at Costerfield and the presence of this highly anomalous mineralization is strong evidence for the system being able to generate economic mineralization along the entire strike length of the anomaly corridor.

Figure 7. Plan view illustrating the potential of the True Blue system. Illustrated on the map is the latest geological interpretation, Geochemical analysis of soils and location of recent drilling.

Although still at an early stage of testing, True Blue has significant potential and exploration of the corridor is made easier by the observed structural and mineralogical similarity to Costerfield's highly profitable central corridor. Since 2022 exploration success at Costerfield has been achieved by effectively testing geological models based on knowledge gained through the past two decades of mining. During 2025 the extensional and step out drilling programmes will continue as we seek to confirm mineral resources along the corridor.

Drilling and Assaying

All diamond drill core was logged and sampled by Costerfield geologists or contracted geologists with significant industry experience who worked under Costerfield geologist's oversight. All samples were sent to On Site Laboratory Services (OSLS) in Bendigo, Victoria, Australia, for sample preparation and analysis by fire assay for gold, and Atomic Absorption Spectroscopy (AAS) for antimony. Site geological and metallurgical personnel have implemented a QA/QC procedure that includes systematic submission of standard reference materials and blanks within batches of drill and face samples submitted for assay. Costerfield specific reference materials produced from Costerfield ore have been prepared and certified by Geostats Pty Ltd., a specialist laboratory quality control consultancy. See Technical Report entitled "Costerfield Operation, Victoria, Australia NI 43-101 Report" dated March 28, 2024, available on SEDAR (www.sedar.com) for a complete description of drilling, sampling, and assaying procedures.

Qualified Person:

Chris Davis, Vice President of Operational Geology and Exploration at Mandalay Resources, is a Chartered Professional of the Australasian Institute of Mining and Metallurgy (MAusIMM CP(Geo)), as well as a Member of the Australian Institute of Geoscientists (MAIG) and a Qualified Person as defined by NI 43-101. He has reviewed and approved the technical and scientific information provided in this release.

For Further Information

Frazer Bourchier
Director, President and Chief Executive Officer

Edison Nguyen
Director, Business Valuations and Investor Relations

Contact:
647.258.9722

About Mandalay Resources Corporation

Mandalay Resources is a Canadian-based resource company with producing assets in Australia (Costerfield gold-antimony mine) and Sweden (Björkdal gold mine). The Company is focused on growing its production and reducing costs to generate significant positive cashflow. Mandalay is committed to operating safely and in an environmentally responsible manner, while developing a high level of community and employee engagement.

Mandalay's mission is to create shareholder value through the profitable operation and successful exploration at its Costerfield and Björkdal mines. Currently, the Company's main objectives at Costerfield are to continue mining the high-grade Youle and Shepherd veins, and to extend Mineral Resources. At Björkdal, the Company will aim to increase production from Aurora and Eastern zones and other higher-grade areas in the coming years in order to maximize profit margins from the mine.

Forward-Looking Statements:

This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the exploration and development potential of the True Blue deposit (Costerfield). 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. 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, 2024, a copy of which is available under Mandalay's profile at www.sedar.com. In addition, there can be no assurance that any inferred resources that are discovered as a result of additional drilling will ever be upgraded to proven or probable reserves. 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.

Appendix

Table 1. Significant Intercepts from drilling program.

Drill Hole ID	From (m)	Depth To (m)	Drill Width (m)	True Thick (m)	Au Grade (g/t)	Sb Grade (%)	Au equivalent (g/t) over min.1.8m Mining width	Vein Name
TB014	385.01	388.37	3.36	1.93	1.7	0.0	1.7	Associated Vein
TB014	626.06	628	1.94	1.49	1.4	0.2	1.6	Main Vein
TB015	275.87	281.96	6.09	3.49	1.9	0.6	3.3	Associated Vein
TB015W1	578.65	578.91	0.26	0.21	15.2	16.6	6.4	Main Vein
TB017	417.87	418.09	0.22	0.16	10.7	5.2	2.0	Associated Vein
TB017	425.44	429.06	3.62	2.08	1.0	0.2	1.5	Associated Vein
TB018	587.63	588.35	0.72	0.58	1.4	1.2	1.3	Main Vein
TB019	443.84	446.48	4.09	2.35	0.8	0.1	1.1	Associated Vein
TB020	481.98	483.42	1.44	1.43	1.5	0.0	1.2	Associated Vein
TB022	230.31	232.47	2.16	1.87	1.0	0.3	1.6	Associated Vein
TB022	461.85	464.25	2.40	1.85	1.3	0.0	1.3	Associated Vein
TB022	471.86	474.24	2.38	2.00	2.6	0.0	2.6	Associated Vein
TB026	716.56	717.72	1.16	0.82	1.6	1.7	2.6	Associated Vein
TB026	730.65	731.1	0.45	0.41	0.5	2.6	1.5	Associated Vein
TB027	551.55	551.83	0.28	0.21	2.0	8.7	2.7	Associated Vein
TB027	577.57	581.55	3.98	2.56	16.8	2.4	22.5	Main Vein
Including	*577.57*	*577.94*	*0.37*	*0.24*	*172.0*	*19.2*	*28.7*	*Main Vein*
TB029	538.32	538.7	0.38	0.22	9.9	3.7	2.3	Main Vein
TB029	571.15	571.34	0.19	0.15	161.0	0.0	13.6	Bearded Fault
TB029W1	538.07	538.28	0.21	0.12	1.8	16.5	2.8	Main Vein
TB031	519.27	519.77	0.50	0.32	1.2	2.0	1.1	Associated Vein
TB031	525.01	525.48	0.47	0.33	578.0	20.5	115.6	Main Vein

Notes
1. The AuEq (gold equivalent) grade is calculated using the following formula:

$$\text{AuEq g per t} = \text{Au g per t} = \text{Sb\%} \times \frac{\text{Sb price per 10kg} \times \text{Sb processing recovery}}{\text{Au price per g} \times \text{Au processing recovery}}$$

Prices and recoveries used: Au $/oz = 2,100; Sb $/t = 16,000; Au Recovery = 93% and; Sb Recovery = 92%
2. Composites that are not interpreted to be connected to a named vein and are below 1 g/t AuEq when diluted to 1.8m are not considered significant and are not recorded here.

Table 2. Drill Hole Collar Details

DRILL HOLE ID	NORTHING	EASTING	ELEVATION	DEPTH	DIP	AZIMUTH	DATE COMPLETE

TB014	301496	5916260	217	670.7	-50	256.37	30-Mar-23
TB015	301389	5916369	222	738.9	-63	240.37	20-Jun-23
TB015W1	301389	5916369	222	665.4	-63	240.37	3-Apr-23
TB015W2	301389	5916369	222	950.7	-63	240.37	5-Jul-23
TB016	301496	5916259	217	639.8	-44	243.37	26-Apr-23
TB017	301389	5916370	221	622.6	-60	278.37	10-May-23
TB018	301496	5916260	217	635.6	-50	258.37	17-May-23
TB019	301421	5916495	224	917.8	-60	254.37	23-Aug-23
TB020	301420	5916495	224	707.3	-56	272.37	10-Oct-23
TB020W1	301420	5916495	224	578.8	-56	272.37	25-Oct-23
TB021	301496	5916258	217	737.4	-50	243.37	28-Nov-23
TB022	301689	5915593	209	899.2	-41	257.37	1-Feb-24
TB023	301496	5916257	217	893.4	-42	233.37	2-Feb-24
TB024	301772	5915180	204	695.9	-29	262.37	8-Mar-24
TB024W1	301772	5915180	204	850.7	-29	262.37	24-Apr-24
TB025	301562	5916174	215	900	-44	238.37	15-Apr-24
TB026	300768	5916491	237	1100.5	-63	129.37	31-Jul-24
TB027	300769	5916490	237	710.6	-40	132.37	1-Oct-24
TB027W1	300769	5916490	237	664	-40	132.37	2/12/2024
TB028	300769	5916491	237	749.4	-48	109.37	21-Oct-24
TB029	300769	5916490	237	820.9	-39	124.87	18-Nov-24
TB029W1	300769	5916490	237	699.5	-39	124.87	19-Dec-24
TB030	300660	5916506	243	930.8	-60	136.37	11-Nov-24
TB031	300767	5916506	237	599	-40.5	116.87	4-Dec-24

Notes:

1. Coordinate System: MGA2020

Photos accompanying this announcement are available at:

https://www.globenewswire.com/NewsRoom/AttachmentNg/9f2edb84-0a13-4e38-8b93-2d8a0842080e

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