

# Mandalay Resources Announces Record Financial Performance in 2024, Generating \$69 Million in Free Cash Flow

20.02.2025 | [GlobeNewswire](#)

TORONTO, Feb. 20, 2025 - [Mandalay Resources Corp.](#) ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) announced its financial results for the fourth quarter and year ended December 31, 2024. The Company delivered record revenue and significant cash flow growth, highlighting its commitment to operational excellence and financial discipline.

## Fourth Quarter 2024 Highlights:

- Cash Flow: Generated \$38.5 million in cash flow from operating activities and \$24.6 million free cash flow<sup>1</sup>, respectively;
- Revenue Growth: Consolidated revenue increased by 32% compared to Q4 2023, at \$66.8 million;
  - Costerfield recorded its second highest quarterly revenue of \$44.2 million;
  - Björkdal generated \$22.6 million;
- Cost: Consolidated cash operating cost<sup>1</sup> of \$1,085 and all-in sustaining cost<sup>1</sup> of \$1,595 per ounce of saleable gold equivalent production; and
- Adjusted EBITDA<sup>1</sup>: Generated \$32.3 million, a 40% increase compared to Q4 2023 of \$23.1 million;
- Profitability: Consolidated net income was \$20.7 million (\$0.22 or C\$0.31 per share), compared to \$2.7 million (\$0.03 or C\$0.04 per share) in Q4 2023.

## Full-Year 2024 Highlights:

- Strengthened Balance Sheet: Cash balance increased to \$76.4 million as of December 31, 2024, from \$26.9 million a year earlier;
- Debt-Free Position: Fully repaid its \$20 million revolving credit facility, maintaining \$35 million in undrawn availability;
- Record Revenue: Achieved highest-ever revenue of \$240.7 million, a 39% increase from 2023;
- Cash Flow: Generated \$112.7 million in cash flow from operating activities and \$69.1 million in free cash flow;
- Delivered on Cost Guidance: Consolidated cash cost<sup>1</sup> of \$1,106 and all-in sustaining cost<sup>1</sup> of \$1,548 per ounce of saleable gold equivalent production; and
- Profitability: Consolidated net income was \$47.8 million (\$0.51 or C\$0.70 per share), compared to \$7.9 million (\$0.08 or C\$0.11 per share) in 2023.

Frazer Bourchier, President and CEO commented:

"2024 was a milestone year for Mandalay, marked by record financial performance and substantial earnings growth. Our strategic emphasis on higher-margin production, cost efficiency, and operational improvements have delivered outstanding results. With a strong cash position, zero debt, and an ongoing commitment to sustainable cash generation, we enter 2025 well-prepared to capitalize on strategic opportunities and drive long-term value creation."

Hashim Ahmed, CFO commented:

"Mandalay achieved its highest annual revenue to date, reaching \$241 million, and generated a record free cash flow of \$69 million from the two operating assets. Our year-end net cash position rose more than tenfold to \$76 million compared to year-end 2023, underscoring our disciplined cost management, operational efficiencies, and favorable metal prices - all of which supported the achievement of our 2024 production and cost guidance."

"Looking ahead to 2025, key investments, include the new tailings facility at Costerfield and accelerated underground development at Björkdal, are strengthening our operational foundation for the future. The majority of these expenditures are expected to occur in the first half of the year. Additionally, we remain dedicated to creating further value through near-mine and regional exploration at both sites, with the potential for additional resource allocation to accelerate progress based on success. We are excited to carry this momentum forward and execute our plans in a strong precious metal price environment."

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<sup>1</sup> Gold equivalent production, adjusted EBITDA, free cash flow, net cash, cash operating costs and all-in sustaining costs are non-GAAP financial performance measures with no standard definition under IFRS. Refer to "Non-GAAP Financial Performance Measures" at the end of this press release for further information.

#### Outlook for 2025:

Previously announced, please refer to the December 17, 2024, press release.

- Consolidated production and cost guidance:
  - Annual production of 85,000 - 95,000 gold equivalent ounces;
    - Gold: 76,500 - 85,000 ounces;
    - Antimony: 1,050 - 1,150 tonnes;
  - Cash cost and all-in sustaining cost of \$1,200 - \$1,350 and \$1,795 - \$1,975 per gold equivalent ounce;
- Continued investments in sustaining initiatives of \$43 - \$48 million, highlights of major projects:
  - Costerfield:
    - Tailings facility, adding an additional six years of capacity;
  - Björkdal:
    - Expand underground mine development to improve operational flexibility and reduce reliance on lower-grade stockpiles;
    - Replacement of aging mining fleet to enhance equipment availability and reduce downtime;
  - Exploration at both operations: ensuring long-term production stability.

The Company's audited consolidated financial statements for the year ended December 31, 2024, together with its Management's Discussion and Analysis ("MD&A") for the corresponding period, can be accessed under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.mandalayresources.com](http://www.mandalayresources.com). All currency references in this press release are in U.S. dollars except as otherwise indicated.

#### Fourth Quarter and Full-Year 2024 Financial Summary

The following table summarizes the Company's consolidated financial results for the three months and years ended December 31, 2024 and 2023:

(\$ thousands, except where indicated)	Three months ended		Year ended	
	December 31, 2024	2023	December 31, 2024	2023
Revenue	66,801	50,588	240,655	173,344
Cost of sales	32,394	25,836	110,498	105,923
Adjusted EBITDA <sup>(1)</sup>	32,273	23,071	122,113	60,328
Adjusted net income <sup>(1)</sup>	27,819	9,653	67,330	10,596
Consolidated net income	20,664	2,715	47,761	7,861
Capital expenditure	13,912	9,512	44,852	42,401
Total assets	329,576	295,248	329,576	295,248
Total liabilities	100,310	98,316	100,310	98,316
Adjusted net income per share <sup>(1)</sup>	0.30	0.10	0.72	0.11
Consolidated net income per share	0.22	0.03	0.51	0.08

1. Adjusted EBITDA, adjusted net income and adjusted net income per share are non-GAAP performance measures with no standard definition under IFRS. Refer to "Non-GAAP Performance Measures" at the end of this press release for further information.

In Q4 2024, Mandalay generated consolidated revenue of \$66.8 million, a 32% increase compared to \$50.6 million in Q4 2023. This was mainly due to higher average realized metal prices: \$2,687 per ounce for gold and \$35,833 per tonne for antimony in Q4 2024 compared to \$1,965 per ounce for gold and \$10,987 per tonne for antimony in Q4 2023.

Mandalay generated adjusted EBITDA of \$32.3 million in Q4 2024, compared to \$23.1 million in Q4 2023. The increase in adjusted EBITDA was mainly due to higher revenue in the current quarter. Adjusted net income was \$27.8 million in Q4 2024, excluding a \$2.0 million loss on financial instruments, a \$4.2 million revision of reclamation liability and a \$1.0 million write down of assets. This compares to an adjusted net income of \$9.7 million in Q4 2023.

Consolidated net income was \$20.7 million for Q4 2024, versus \$2.7 million in Q4 2023. Mandalay ended Q4 2024 with \$76.4 million in cash and cash equivalents.

#### Fourth Quarter and Full-Year 2024 Operational Summary

The table below summarizes the Company's production, capital expenditures and operational unit costs for the three months and years ended December 31, 2024 and 2023:

	Three months ended		Year ended	
	December 31, 2024	2023	December 31,	
			2024	2023
<b>Costerfield</b>				
Gold produced (oz.)	12,125	13,016	43,346	36,057
Antimony produced (t)	267	404	1,282	1,860
Gold equivalent produced (oz.)	15,768	15,383	54,805	47,661
Cash operating cost <sup>(1)</sup> per oz. gold eq. produced (\$)	784	738	874	876
All-in sustaining cost <sup>(1)</sup> per oz. gold eq. produced (\$)	1,118	920	1,156	1,120
Capital development (\$'000)	503	368	2,962	3,159
Infill drilling (\$'000)	1,341	50	2,262	1,797
Property, plant and equipment purchases (\$'000)	4,700	1,904	7,534	4,531
Capitalized exploration (\$'000)	1,572	1,875	7,313	6,209
<b>Björkdal</b>				
Gold produced (oz.)	9,728	11,558	42,323	42,148
Cash operating cost <sup>(1)</sup> per oz. gold produced (\$)	1,573	1,299	1,406	1,354
All-in sustaining cost <sup>(1)</sup> per oz. gold produced (\$)	2,182	1,664	1,869	1,749
Capital development (\$'000)	3,337	2,453	10,069	8,982
Infill drilling (\$'000)	63	152	375	498
Property, plant and equipment purchases (\$'000)	2,065	2,244	6,672	13,766
Capitalized exploration (\$'000)	331	466	3,085	3,393
<b>Consolidated</b>				
Gold equivalent produced (oz.)	25,496	26,941	97,128	89,809
Cash operating cost <sup>(1)</sup> per oz. gold eq. produced (\$)	1,085	979	1,106	1,100
All-in sustaining cost <sup>(1)</sup> per oz. gold eq. produced (\$)	1,595	1,296	1,548	1,497
Capital development (\$'000)	3,840	2,821	13,031	12,141
Infill drilling (\$'000)	1,404	202	2,637	2,295
Property, plant and equipment purchases (\$'000) <sup>(2)</sup>	6,765	4,148	18,730	18,297
Capitalized exploration (\$'000)	1,903	2,341	10,454	9,668

1. Cash operating cost and all-in sustaining cost are non-GAAP performance measures with no standard definition under IFRS. Refer to "Non-GAAP Performance Measures" at the end of this press release for further information.
2. Includes equipment purchased for reclamation activities at non-operating site.

Consolidated cash operating cost per ounce of gold equivalent produced increased by 11% to \$1,085 per ounce in Q4 2024 compared to \$979 in Q4 2023. The increase was due to the 5% decrease in gold equivalent production in Q4 2024, with 25,496 ounces produced compared to 26,941 ounces in Q4 2023, combined with a 5% increase in cash costs, mainly due to an increase in processing costs at Costerfield due to higher costs for tailings and water management.

All-in sustaining costs increased by 23% to \$1,595 per ounce of gold equivalent produced in Q4 2024, compared to \$1,296 in Q4 2023. This increase in per unit cost was due to higher cash operating costs and higher sustaining capital expenditures during the quarter, compared to Q4 2023, including increased capital development expenditures at Björkdal to catch up on development, as well as increased infill drilling at Costerfield. The increased infill drilling expenditure at Costerfield during the quarter was focused on converting inferred resources into indicated resources, while the drilling in Q4 2023 was primarily for extensional testing, classified as non-sustaining.

#### Costerfield gold-antimony mine, Victoria, Australia

During Q4 2024, Costerfield produced 12,125 ounces of gold, compared to 13,016 ounces in Q4 2023, a decrease of 7% (891 ounces). This decrease was primarily due to a lower average milled gold head grade, which declined from 13.14 g/t in Q4 2023 to 11.82 g/t in Q4 2024. Antimony production in Q4 2024 was 267 tonnes, a 34% decrease from the 404 tonnes in Q4 2023. This decline was mainly due to a drop in the average milled antimony head grade, from 2.06% in Q4 2023 to 1.38% in Q4 2024. The reductions in grade for both antimony and gold were due to mine sequencing.

The cash operating cost per ounce of gold equivalent produced increased by 6% to \$784 per ounce in Q4 2024, compared to \$738 per ounce in Q4 2023. This increase was driven by higher processing costs related to tailings and water management, including increased personnel and material costs for tailings disposal via paste and geotubes, a temporary measure until the new tailings storage facility is completed in mid-2025.

All-in sustaining cost per ounce of gold equivalent produced increased by 22% to \$1,118 per ounce in Q4 2024, compared to \$920 per ounce in Q4 2023. This was due to higher cash operating costs and increased sustaining capital expenditures, including expanded infill drilling. The focus during Q4 2024 was on converting inferred resources from Cuffley Deep and Kendal into indicated resources, whereas Q4 2023 drilling primarily targeted extensional testing of Shepherd and other near mine targets, which were classified as non-sustaining capital expenditure.

Costerfield generated \$44.2 million in revenue and \$25.2 million in adjusted EBITDA.

#### Björkdal gold mine, Skellefteå, Sweden

During Q4 2024, Björkdal produced 9,728 ounces of gold, compared to 11,558 ounces in Q4 2023, a decrease of 16% or 1,830 ounces. The reduction was primarily due to lower mined tonnes, caused by weather-related disruptions in H2 2024, including flooding events that temporarily restricting underground mine access. As a result, the site had to pivot to lower grade mining areas, including Q4, leading to a decline in gold production.

With reduced mining flexibility affecting both mined tonnes and grade, there was an increased reliance on lower-grade surface stockpile feed to maintain plant throughput, further contributing to the decline in production. However, by December, access to all underground mining areas had been restored, allowing for a return to the expected gold mill head grades.

The cash operating cost per ounce of gold produced for Q4 2024 increased by 21% to \$1,573 per ounce, compared to \$1,299 per ounce in Q4 2023. This was primarily due to 16% lower gold production, driven by

lower grades.

All-in sustaining cost per ounce of gold produced increased by 31% to \$2,182 per ounce in Q4 2024, compared to \$1,664 per ounce in Q4 2023. This increase was mainly due to lower production and higher sustaining capital expenditures, including capital development expenditures at Björkdal to improve future operational flexibility.

Björkdal generated \$22.6 million in revenue and \$9.1 million in adjusted EBITDA.

#### Conference Call

Mandalay will host a conference call for investors and analysts on February 21, 2025, at 10:00 AM (Toronto time). Interested investors may register and join using the following link.

Alternatively, please register for the live webcast [here](#). The webcast will be archived on the Company's website for one year.

#### About [Mandalay Resources Corporation](#)

Mandalay is a Canada-based natural resource company with producing assets in Australia (the Costerfield gold-antimony mine) and Sweden (the Björkdal gold mine). The Company is focused on growing its production and reducing costs to generate significant positive cash flow. Mandalay is committed to operating safely and in an environmentally responsible manner, while fostering strong community and employee engagement.

Mandalay's mission is to create shareholder value through profitable operations and successful organic exploration at its Costerfield and Björkdal mines, while actively evaluating accretive, and non-dilutive inorganic growth opportunities. At Costerfield, the Company focuses on mining the high-grade Youle and Shepherd veins, while expanding near-mine and regional Mineral Resources & Reserves. At Björkdal, the goal is to enhance production from the Eastern Extension area and other higher-margin zones, such as the North Zone, to optimize profitability in the coming years.

#### Forward-Looking Statements

*This news release contains "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the Company's anticipated performance in 2024. 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 31, 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.*

#### Non-GAAP Performance Measures

This news release may contain references to adjusted EBITDA, adjusted net income, free cash flow, cash operating cost per ounce of gold equivalent produced and all-in sustaining cost all of which are non-GAAP

performance measures and do not have standardized meanings under IFRS. Therefore, these measures may not be comparable to similar measures presented by other issuers.

Management uses adjusted EBITDA and free cash flow as measures of operating performance to assist in assessing the Company's ability to generate liquidity through operating cash flow to fund future working capital needs and to fund future capital expenditures, as well as to assist in comparing financial performance from period to period on a consistent basis. Management uses adjusted net income in order to facilitate an understanding of the Company's financial performance prior to the impact of non-recurring or special items. The Company believes that these measures are used by and are useful to investors and other users of the Company's financial statements in evaluating the Company's operating and cash performance because they allow for analysis of its financial results without regard to special, non-cash and other non-core items, which can vary substantially from company to company and over different periods.

The Company defines adjusted EBITDA as income from mine operations, net of administration costs, and before interest, taxes, non-cash charges/ (income), intercompany charges and finance costs. The Company defines adjusted net income as net income before special items. Special items are items of income and expense that are presented separately due to their nature and, in some cases, expected infrequency of the events giving rise to them. A reconciliation between adjusted EBITDA and adjusted net income, on the one hand, and consolidated net income, on the other hand, is included in the MD&A.

The Company defines free cash flow as a measure of the Company's ability to generate and manage liquidity. It is calculated starting with the net cash flows from operating activities (as per IFRS) and then subtracting capital expenditures and lease payments. Refer to "Non-GAAP Financial Performance Measures" section of the MD&A for a reconciliation between free cash flow and net cash flows from operating activities.

For Costerfield, equivalent gold ounces produced is calculated by adding to gold ounces produced, the antimony tonnes produced times the average antimony price in the period divided by the average gold price in the period. The total cash operating cost associated with the production of these equivalent ounces produced in the period is then divided by the equivalent gold ounces produced to yield the cash operating cost per equivalent ounce produced. The cash operating cost excludes royalty expenses. Site all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization. Sustaining capital reflects the capital required to maintain each site's current level of operations. The site's all-in sustaining cost per ounce of gold equivalent in a period equals the all-in sustaining cost divided by the equivalent gold ounces produced in the period.

For Björkdal, the total cash operating cost associated with the production of gold ounces produced in the period is then divided by the gold ounces produced to yield the cash operating cost per gold ounce produced. The cash operating cost excludes royalty expenses. Site all-in sustaining costs include total cash operating costs, sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization. Sustaining capital reflects the capital required to maintain each site's current level of operations. The site's all-in sustaining cost per ounce of gold equivalent in a period equals the all-in sustaining cost divided by the equivalent gold ounces produced in the period.

For the Company as a whole, cash operating cost per gold equivalent ounce is calculated by summing the gold equivalent ounces produced by each site and dividing the total by the sum of cash operating costs at the sites. Consolidated cash operating cost excludes royalty and corporate level general and administrative expenses. This definition was updated in the third quarter of 2020 to exclude corporate general and administrative expenses to better align with industry standard. All-in sustaining cost per ounce gold equivalent in the period equals the sum of cash operating costs associated with the production of gold equivalent ounces at all operating sites in the period plus corporate overhead expense in the period plus sustaining mining capital, royalty expense, accretion of reclamation provision and tailings dam amortization, divided by the total gold equivalent ounces produced in the period. A reconciliation between cost of sales and cash operating costs, and also cash operating cost to all-in sustaining costs are included in the MD&A.

For Further Information:

Frazer Bourchier, Director, President and Chief Executive Officer

Edison Nguyen, Director, Business Valuations and IR

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