

# Mandalay Resources Strengthens Financial Position in Q1 2025 With Strong Profit Growth and US\$88 Million Cash

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[Mandalay Resources Corp.](#) ("Mandalay" or the "Company") (TSX: MND, OTCQB: MNDJF) is pleased to announce financial results for the first quarter ended March 31, 2025. The Company reported a robust year-over-year 41% increase in revenue to \$78.1 million, along with improvements to net income.

The Company's condensed and consolidated interim financial result for the quarter ended March 31, 2025, together with its Management's Discussion and Analysis ("MD&A") for the corresponding period, can be accessed under the Company's profile on [www.sedar.com](http://www.sedar.com) 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.

## First Quarter 2025 Highlights:

- Strengthened Balance Sheet: Cash balance grew to \$88.3 million as of March 31, 2025, from \$76.4 million on December 31, 2024;
- Continued Cash Flow Generation: \$27.9 million in cash flow from operating activities and \$11.2 million free cash flow<sup>1</sup>;
- Robust Revenue Growth: Consolidated revenue increased by 41% compared to Q1 2024, at \$78.1 million;
  - Costerfield generated quarterly revenue of \$39.7 million;
  - Björkdal recorded highest quarterly revenue of \$38.4 million;
- Cost Performance: Consolidated cash operating cost<sup>1</sup> of \$1,348 per ounce of gold equivalent production. All-in sustaining cost<sup>1</sup> of \$2,004 per ounce, driven by planned H1 2025 front-loaded capital investments at both operations;
- Adjusted EBITDA<sup>1</sup>: Generated \$44.1 million, a 65% increase compared to Q1 2024 of \$26.7 million; and
- Profitability: Consolidated net income was \$14.8 million (\$0.16 or C\$0.23 per share), compared to \$5.9 million (\$0.06 or C\$0.09 per share) in Q1 2024.

Frazer Bouchier, President, and CEO commented:

"Our first quarter performance highlights Mandalay's ongoing solid operational foundation and our consistent ability to deliver earnings and cash flow. Supported by favourable metal prices and disciplined execution, we have yet again further strengthened our financial position while progressing key strategic and growth priorities. We look forward to building on a solid start to the year and are maintaining our full-year 2025 guidance, as we expect stronger production in the second half coupled with reduced capital expenditure."

Hashim Ahmed, CFO commented:

"Mandalay ended Q1 2025 with \$88.3 million in cash and no debt. As compared with previous quarters, the increase in consolidated all-in sustaining costs this quarter was primarily driven by lower production and planned, front-loaded capital investments in the first half of this year. These investments include infill drilling at Costerfield and accelerated development at Björkdal, both critical initiatives that underpin our long-term profitability and production stability. Net income rose to \$14.8 million - up 152% from Q1 2024 - while our adjusted EBITDA margin expanded to 56%. We ended the quarter with a clean balance sheet, ample available financial liquidity, and remain committed to disciplined capital allocation to enhance long-term shareholder value."

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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.

## First Quarter 2025 Financial Summary

The following table summarizes the Company's consolidated financial results for the three months ended March 31, 2025 and March 31, 2024:

(\$ thousands, except where indicated) Three months ended

	March 31,	
	2025	2024
Revenue	78,063	55,511
Cost of sales	31,418	27,031
Adjusted EBITDA <sup>(1)</sup>	44,073	26,735
Adjusted net income <sup>(1)</sup>	20,038	12,152
Consolidated net income	14,822	5,888
Capital expenditure	16,704	13,145
Total assets	372,676	300,354
Total liabilities	115,943	106,049
Adjusted net income per share <sup>(1)</sup>	0.21	0.13
Consolidated net income per share	0.16	0.06

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 Q1 2025, Mandalay generated consolidated revenue of \$78.1 million, 41% higher than \$55.5 million in the first quarter of 2024. This was mainly due to higher average realized metal prices: \$3,046 per ounce for gold and \$34,923 per tonne for antimony in Q1 2025 compared to \$2,200 per ounce for gold and \$13,823 per tonne for antimony in Q1 2024.

Mandalay generated adjusted EBITDA of \$44.1 million in the first quarter of 2025 compared to \$26.7 million in the first quarter of 2024. The increase in adjusted EBITDA was mainly due to higher revenue in the current quarter. Adjusted net income was \$20.0 million in the first quarter of 2025, which excludes a \$5.0 million loss on financial instruments and a \$0.2 million revision of reclamation liability, compared to an adjusted net income of \$12.2 million in the first quarter of 2024.

Consolidated net income was \$14.8 million for the first quarter of 2025, versus \$5.9 million in the first quarter of 2024. Mandalay ended the first quarter of 2025 with \$88.3 million in cash and cash equivalents.

## First Quarter Operational Summary

The table below summarizes the Company's production, capital expenditures and operational unit costs for the three months ended March 31, 2025 and March 31, 2024:

	Three months ended	
	March 31,	
	2025	2024
Costerfield		
Gold produced (oz.)	9,549	11,976
Antimony produced (t)	161	404
Gold equivalent produced (oz.) <sup>(3)</sup>	11,515	14,566
Cash operating cost <sup>(1)</sup> per oz. gold eq. produced (\$)	1,133	780
All-in sustaining cost <sup>(1)</sup> per oz. gold eq. produced (\$)	1,555	1,005

Capital development (\$'000)	575	854
Property, plant and equipment purchases (\$'000)	6,020	853
Capitalized exploration (\$'000)	3,088	1,948
Björkdal		
Gold produced (oz.)	10,827	10,370
Cash operating cost <sup>(1)</sup> per oz. gold produced (\$)	1,577	1,403
All-in sustaining cost <sup>(1)</sup> per oz. gold produced (\$)	2,247	1,868
Capital development (\$'000)	4,052	2,681
Property, plant and equipment purchases (\$'000)	2,321	1,408
Capitalized exploration (\$'000)	407	599
Consolidated		
Gold equivalent produced (oz.) <sup>(3)</sup>	22,342	24,936
Cash operating cost <sup>(1)</sup> per oz. gold eq. produced (\$)	1,348	1,039
All-in sustaining cost <sup>(1)</sup> per oz. gold eq. produced (\$)	2,004	1,430
Capital development (\$'000)	4,627	3,535
Property, plant and equipment purchases (\$'000) <sup>(2)</sup>	8,341	7,007
Capitalized exploration (\$'000)	3,736	2,603

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.
3. Since Q1 2025, quarterly gold equivalent ounces ("Gold Eq. (oz)") are calculated by multiplying gold ("Au") volumes by average market Au prices and antimony ("Sb") volumes by average realized Sb prices for the period, adding the amounts to get a total contained value, then dividing by the average market Au price. In comparative periods, average "market spot" Sb prices were used instead of average "realized" Sb prices to calculate Gold Eq. (oz).

Consolidated cash operating cost per ounce of gold equivalent produced increased by 30% to \$1,348 per ounce in the first quarter of 2025 compared to \$1,039 in the first quarter of 2024. This was due to a decrease in gold production and an increase in operating costs. Gold equivalent production declined by 10% to 22,342 ounces in Q1 2025 compared to 24,936 ounces in Q1 2024. This was mainly due to mining lower-grade material from Costerfield's mineral reserve as scheduled for 2025. The 16% increase in cash costs in Q1 2025 relative to Q1 2024 was mainly due to increased tailings management costs at Costerfield necessitating paste fill underground, but this is expected to meaningfully decrease following the expected commissioning of the new tailings facility in Q2 2025. Additional cost increases are due to ore development contractors at Björkdal in Q1 2025 required for planned increased mining flexibility.

All-in sustaining costs increased by 40% to \$2,004 per ounce of gold equivalent produced in Q1 2025, compared to \$1,430 in Q1 2024. This increase was due to the higher cash operating costs as noted earlier, and the higher planned sustaining capital expenditures during the quarter compared to Q1 2024 including accelerated capital expenditure at Björkdal to catch up on development, increased infill drilling at Costerfield, and the tailings storage facility construction scheduled during H1 2025 at Costerfield. The increased infill drilling expenditure at Costerfield focused on converting inferred resources into indicated while the drilling in Q1 2024 targeted extensional testing classified as non-sustaining.

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

During Q1 2025, Costerfield produced 9,549 ounces of gold compared to 11,976 ounces in Q1 2024, a decrease of 20% or 2,427 ounces. The decrease in ounces produced was a result of a decrease in the average milled gold head grade from 12.41 g/t in Q1 2024 to 9.60 g/t in Q1 2025, which was expected as per life of mine reserve ore mine scheduling. Antimony production during Q1 2025 was 161 tonnes, a 60% decrease from the 404 tonnes produced in Q1 2024. This was mainly due to a decrease in the average milled antimony head grade from 2.21% in Q1 2024 to 0.92% in Q1 2025. The reduction in antimony grade was anticipated, albeit somewhat lower than expected, as increased material is being mined from the lower antimony grade deposit of Shepherd.

The cash operating cost per ounce of gold equivalent produced increased by 45% to \$1,133 per ounce in Q1

2025 compared to \$780 per ounce in Q1 2024 mainly due to higher costs for tailings and water management including personnel and material costs to handle the disposal of tails via paste, a necessity until completion of the new tailings storage facility mid-2025. This per ounce cost increase is also due to 20% decreased gold equivalent production. All-in sustaining cost per ounce of gold equivalent produced increased by 55% to \$1,555 per ounce in Q1 2025 compared to \$1,005 per ounce in Q1 2024, due to an increase in per unit cash operating costs as mentioned above and higher sustaining capital expenditure including increased infill drilling as the focus during the quarter was converting inferred resources into indicated resources while the drilling in Q1 2024 targeted extensional testing classified as non-sustaining. Costerfield generated \$39.7 million in revenue and \$26.6 million in adjusted EBITDA, which resulted in net income of \$10.6 million.

#### Björkdal gold mine, Skellefteå, Sweden

During Q1 2025, Björkdal produced 10,827 ounces of gold compared to 10,370 ounces in Q1 2024, an increase of 4% or 457 ounces. Although the production was higher, it was a marginal increase with lower mining tonnes, but improved mining grades coming from the Main zone where access was regained, and increased plant throughput and recovery.

The cash operating cost per ounce produced for Q1 2025 increased by 12% to \$1,577 per ounce compared to \$1,403 per ounce in Q1 2024 due to higher cash operating costs mainly due to higher mining costs from additional spend on ore development contractors. All-in sustaining cost per ounce of gold produced increased by 20% to \$2,247 per ounce in Q1 2025 compared to \$1,868 per ounce in Q1 2024 mainly due to an increase in per unit cash operating costs as mentioned above and higher sustaining capital expenditures increased costs for accelerated capital expenditures to catch up on development for future required production flexibility along with planned increased cost on replacing mining equipment including a new cable bolter delivered during the quarter. Björkdal generated \$38.4 million in revenue and \$19.9 million in adjusted EBITDA, which resulted in net income of \$11.4 million.

#### Conference Call

A conference call with Frazer Bouchier, President and Chief Executive Officer of Mandalay, for investors and analysts on May 8, 2025, at 10:00 AM (Toronto time).

Interested investors and analysts may register and dial-in using the following dial-in link.

Alternatively, the webcast and presentation slides may be accessed using the following webcast link.

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

Mandalay Resources is a Canadian-based natural 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 regional exploration programs, at both its Costerfield and Björkdal mines. Currently, the Company's main objectives are to continue mining the high-grade Youle and Shepherd veins at Costerfield, and to extend Mineral Reserves. At Björkdal, the Company will aim to increase production from the Eastern Extension area 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 Company's anticipated performance in 2025. 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, 2025, a copy of which is available under Mandalay's profile at [www.sedar.com](http://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, Gold equivalent ounces is calculated by multiplying the quantities of gold and antimony in the period by the average market price for gold and the average realized price for antimony in the period, respectively, adding the amounts to get a "total contained value based on market price for Gold and realized price for Antimony", and then dividing that total contained value by the average market price of gold for the period. 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:**

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