COSTERFIELD
Au+Sb Mine

MANDALAY RESOURCES

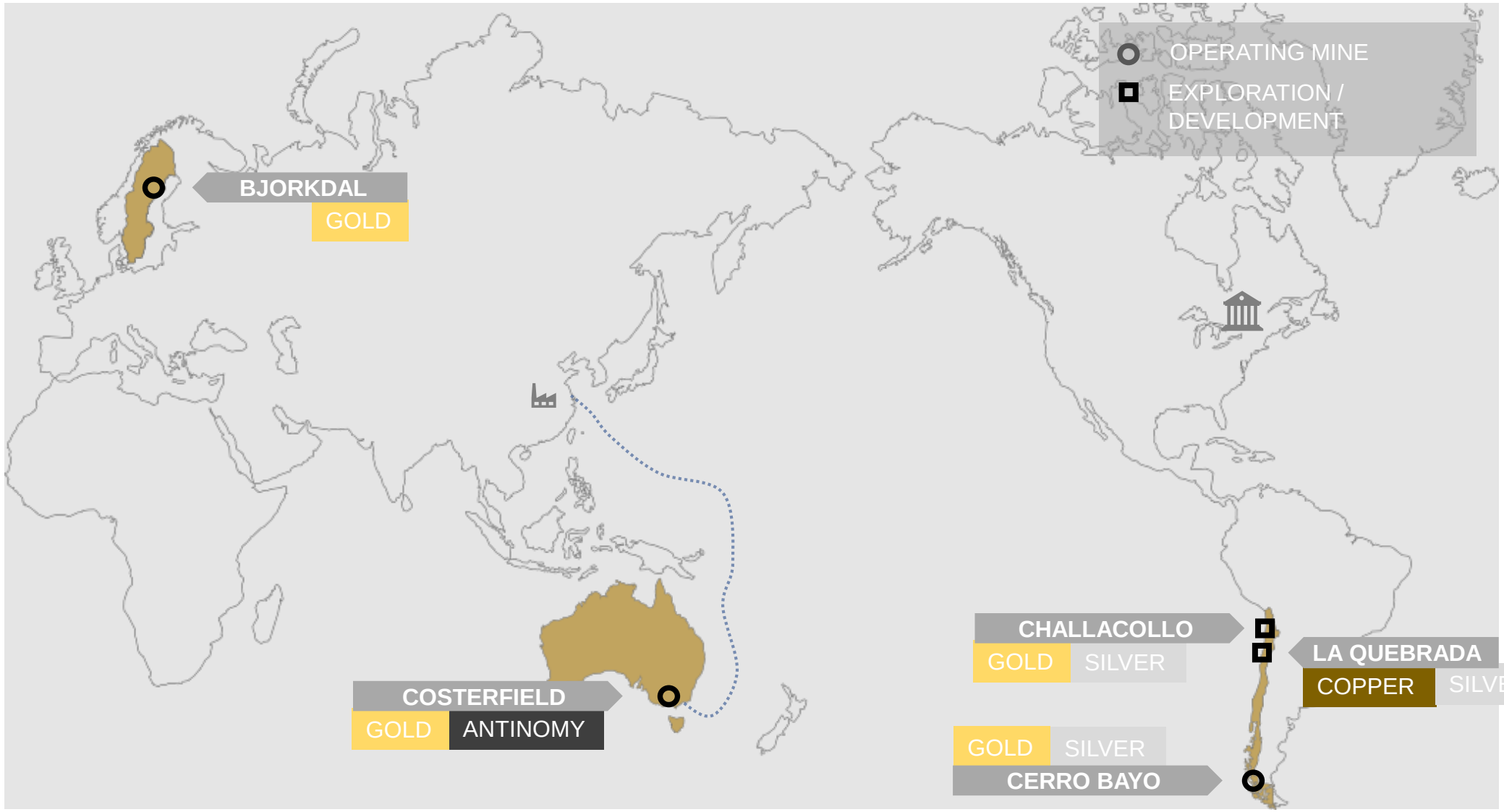
Forward-looking Statements

This presentation contains "forward-looking statements" within the meaning of applicable securities laws, including statements relating to life of mine production plans, exploration plans and the growth and strategy of Mandalay. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things: exploration results or production results not meeting management's expectations; capital, production and operating cost results not meeting current plans; and 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, 2015 and in its final prospectus dated September 2, 2014, copies of which are available under Mandalay's profile at www.sedar.com. 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.

Quality Control and Assurance

Quality control and assurance programs are implemented in line with the standards of National Instrument 43-101.
The exploration programs at Costerfield and Bjorkdal are supervised by Chris Gregory (Member, Australian Institute of Geoscientists, VP of Operational Geology for Mandalay and a "Qualified Person" as defined under National Instrument 43-101. Mr. Gregory regularly visits Costerfield and Bjorkdal, and supervises the collection and interpretation of scientific and technical information contained in this presentation.
The exploration programs at the Cerro Bayo and Challacollo projects are supervised by Scott Manske, Chief Cordilleran Geologist of Mandalay Resources, and an Oregon registered Professional Geologist. A "Qualified Person" as defined by NI 43-101, he has reviewed and approved the technical and scientific information on these projects contained in the presentation.
Dr. Mark Sander (Member: AusIMM), President of Mandalay, has visited the Costerfield, Cerro Bayo, Challacollo, and Björkdal and has supervised the preparation of this presentation.
All currency references in US$ unless otherwise indicated

Asset Locations



Costerfield Au-Sb Mine

MANDALAY RESOURCES

- Introduction – Antinomy?
- Regional geology
- Vein Relationships (Paragenetic sequence)
- Application: Case Study
- Our Future

$Sb_2O_{3(s)}$


MOUNT FRANKLIN


HI!

$Sb_{(s)}$


38061
LEAD-FREE
SOLID WIRE SOLDER


POWERSONIC
HEAVY DUTY BATTERY

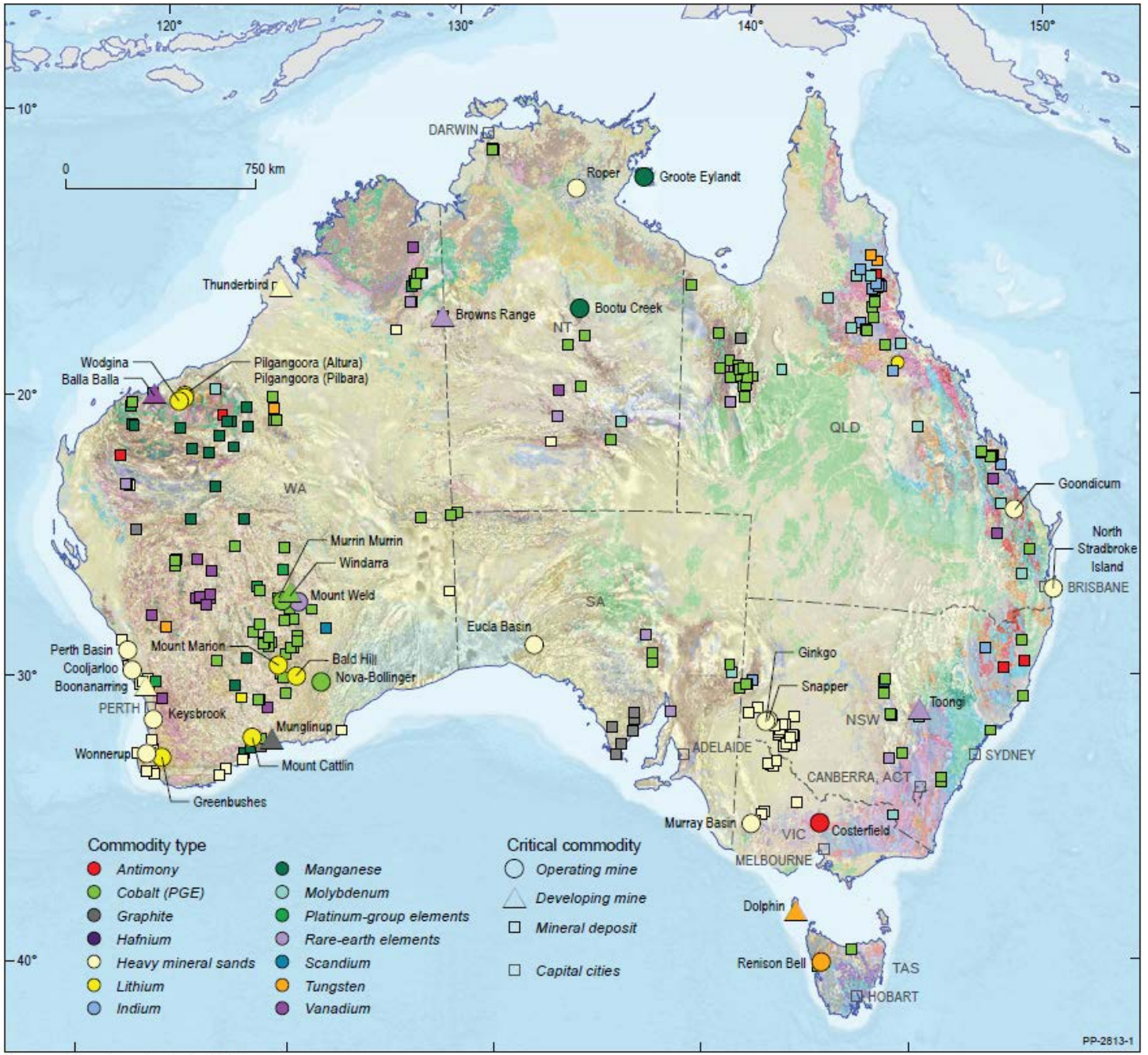
MAJOR CRITICAL MINERALS LIST…

US **$5,875*** tonne

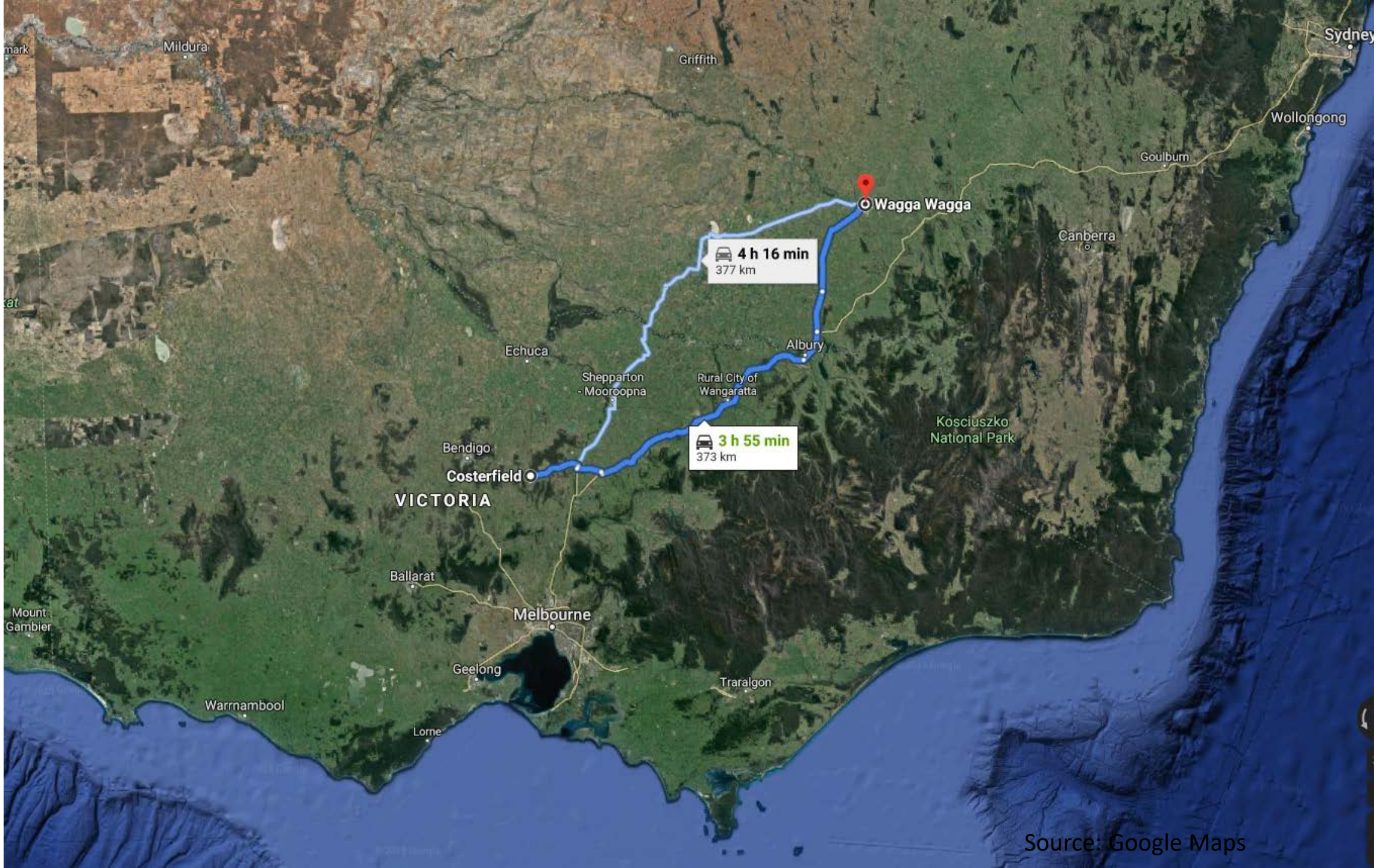
Source: Australian Critical Minerals Strategy 2019

* usantimony.com/pricing.htm

Figure 1: Major Critical Mineral Operating and Developing Mines in Australia

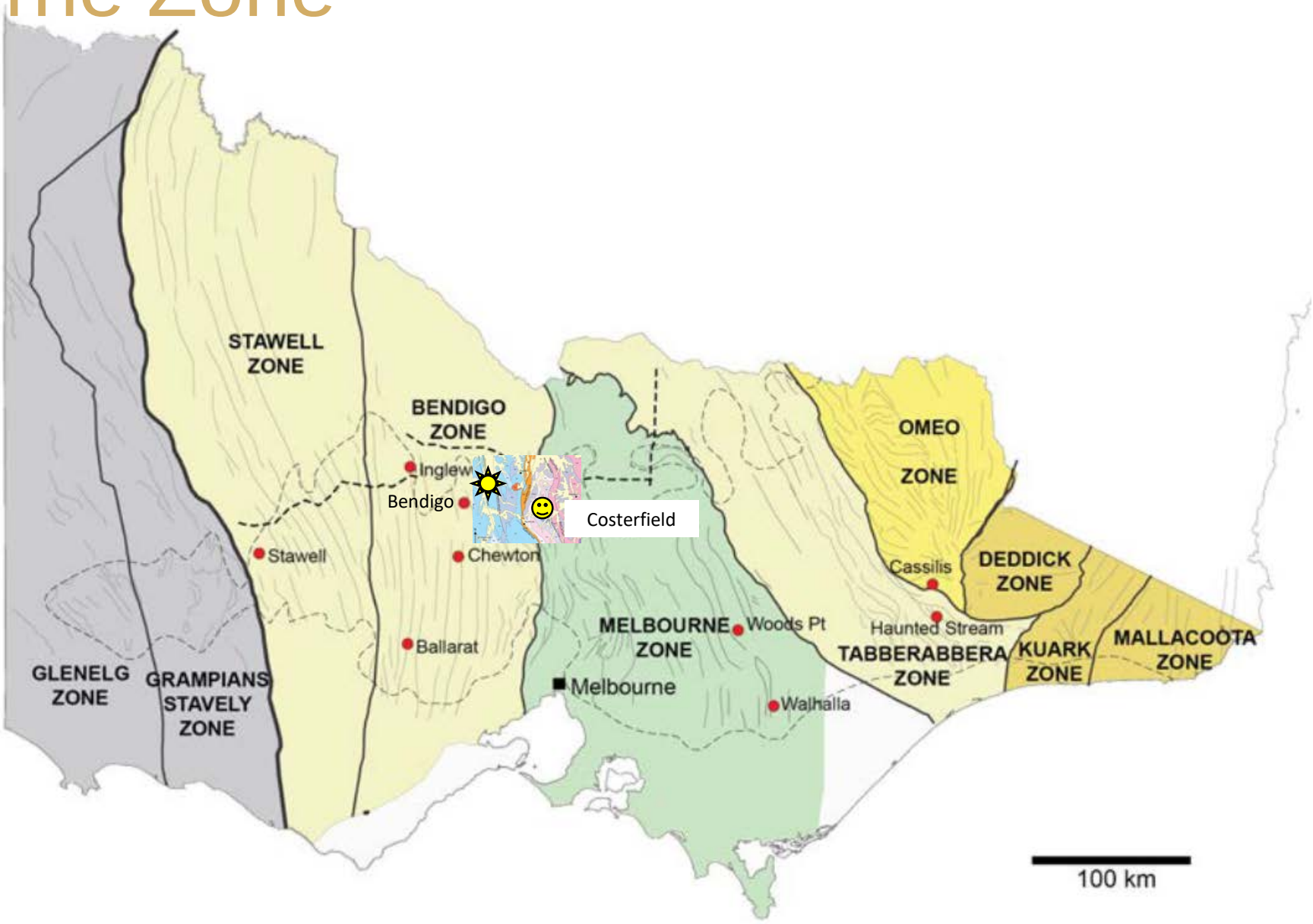


Source: Geoscience Australia, 2019.



Source: Google Maps

Melbourne Zone



Source: (Internal Report: Willman, C. 2017)

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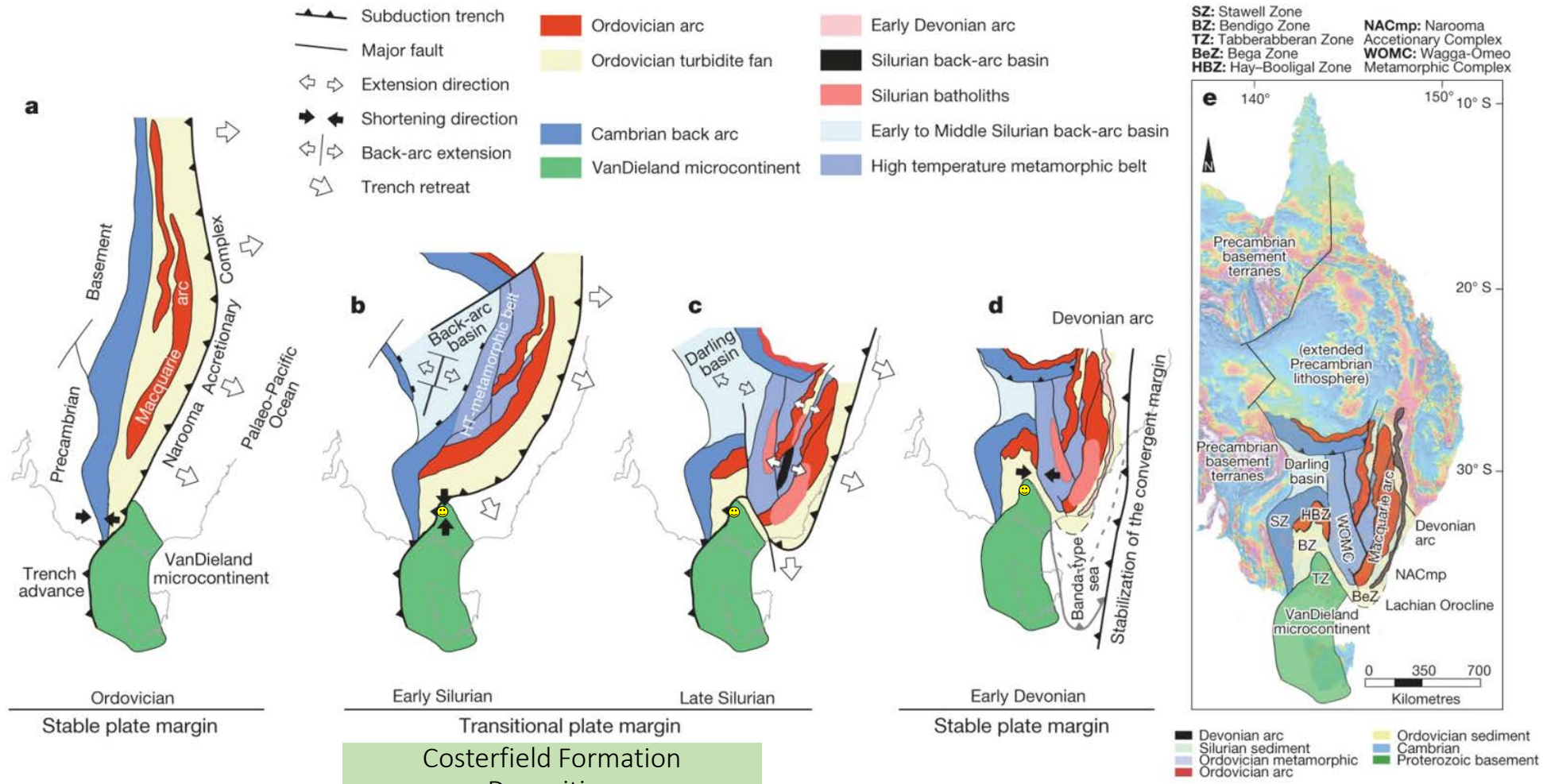
Reconstruction of the Tasmanide accretionary event, showing indentation of continental ribbon material and lateral subduction.



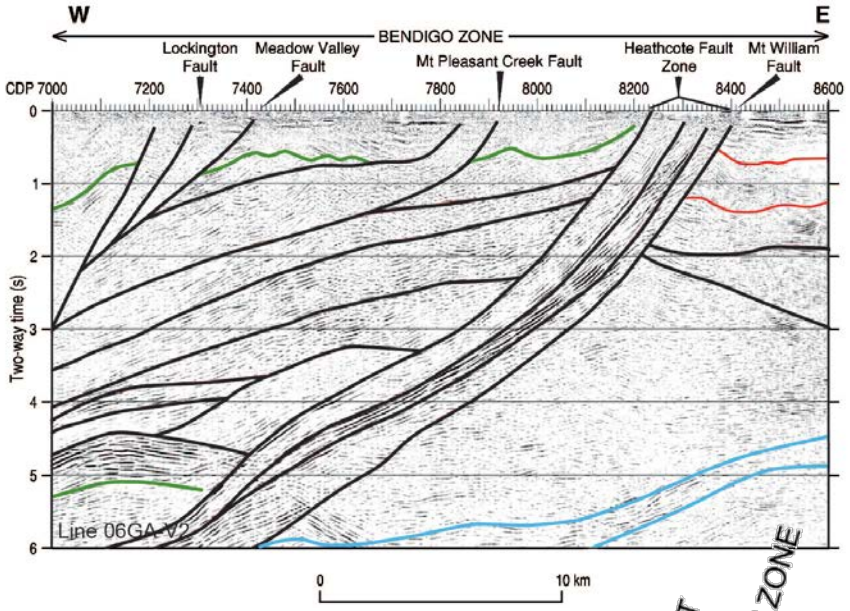
Costerfield Formation Deposition

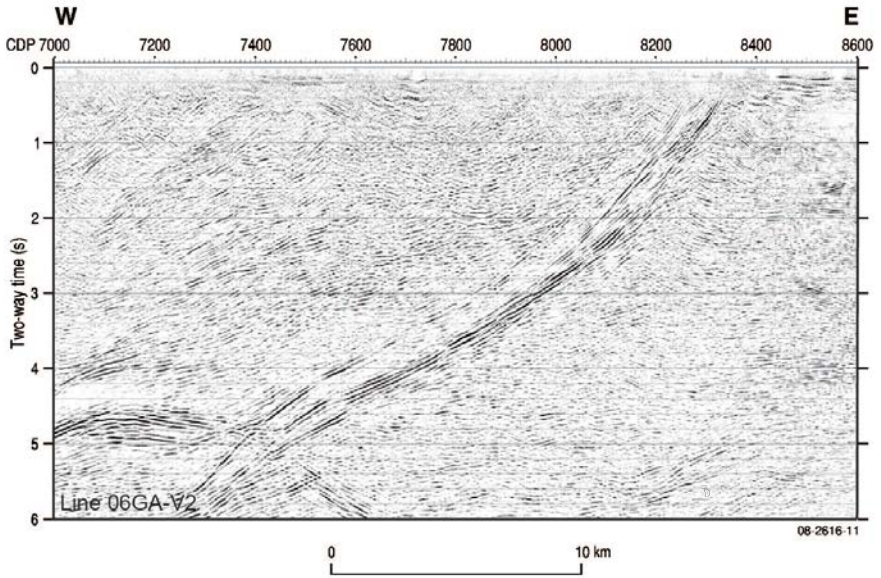
Benambran 443-430

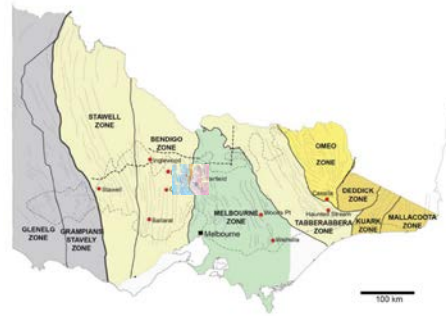
Tabberabberan 390-370

L Moresi *et al. Nature* **000**, 1-4 (2014) doi:10.1038/nature13033

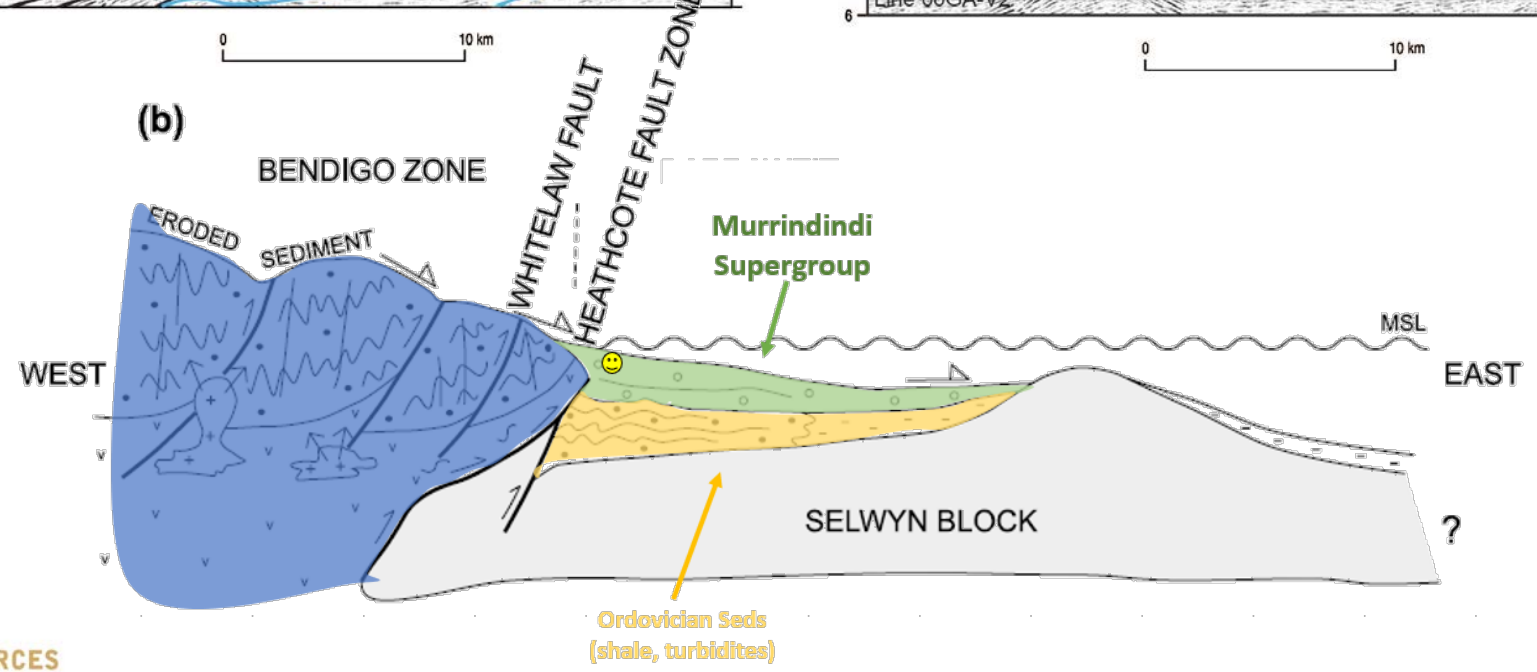
Heathcote fault zone:







Seismic line 20km north of Costerfield



Late Ordovician - Early Devonian sedimentation

Above: Cayley *et al.* 2006
Below: Modified from Cayley *et al.* 2002

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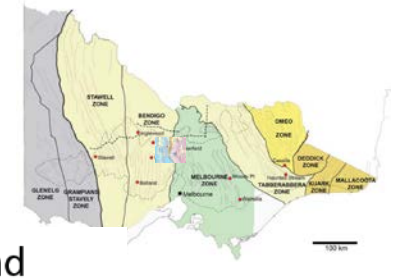
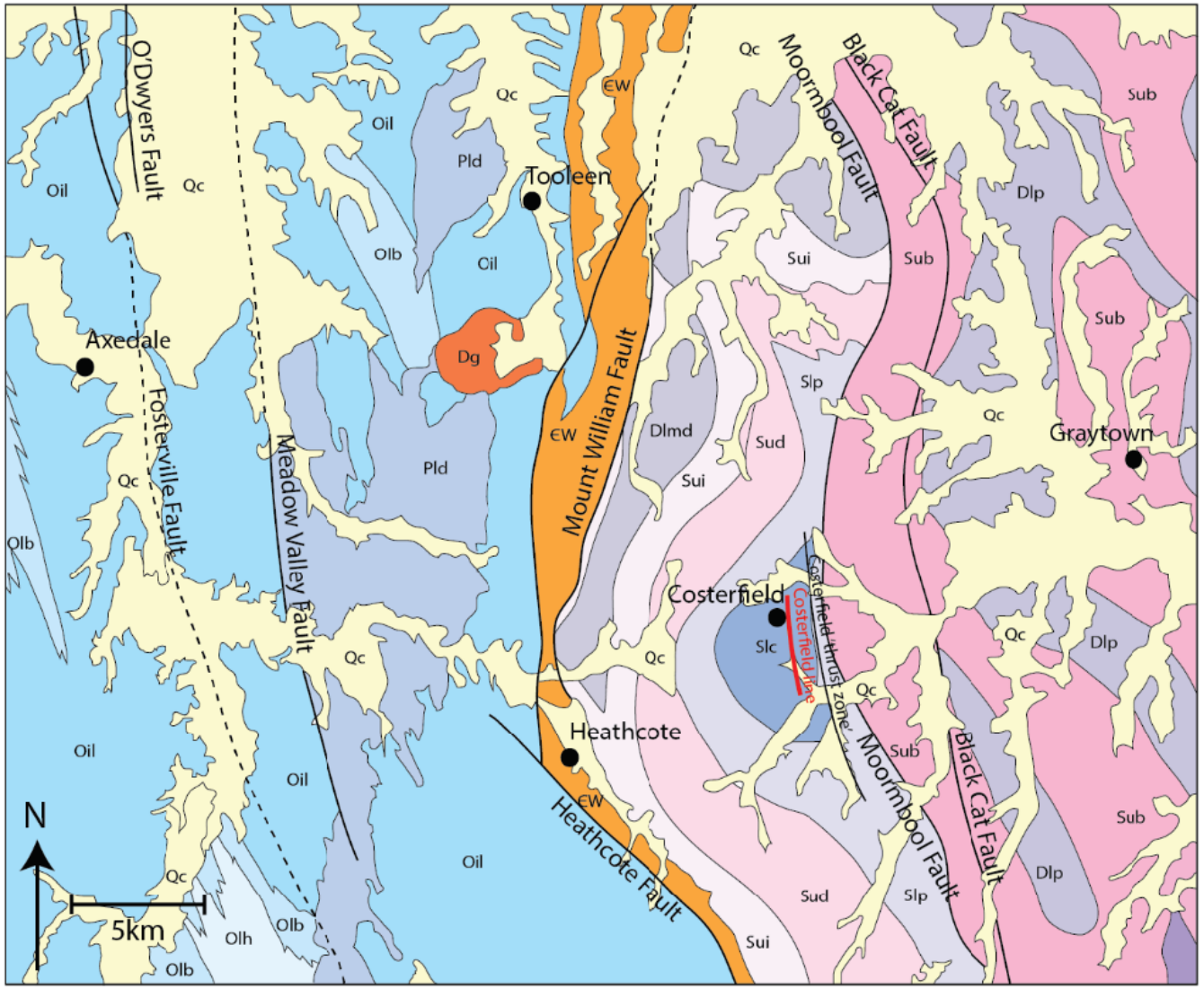
Geological Setting





Stratigraphic Legend

Quaternary	Qc	Quaternary cover - Undifferentiated
Permian	Pld	Wild Duck Formation - Tillite, diamictite, sandstone, mudstone
Devonian	Dg	Late Devonian Granite
	Dlmd	Mount Ida Formation - Mudstone, shale, sandstone
	Dlp	Puckapunyal Formation - Turbidite deposits
Silurian	Sub	Broadford Formation - Turbidite deposits
	Sui	McIvor Sandstone - Quartz sandstone
	Sud	Dargile Formation - Siltstone, thin bedded sandtstone
	Slp	Wapentake Formation - Sandstone, siltstone, conglomerate
	Slc	Costerfield Siltstone - Thin bedded siltstone, minor sandstone
Ordovician	Olh Olb Oil	Castlemaine Group - Undifferentiated sandstone, siltstone, shale, chert
Cambrian	€W	Heathcote Volcanics - Undifferentiated

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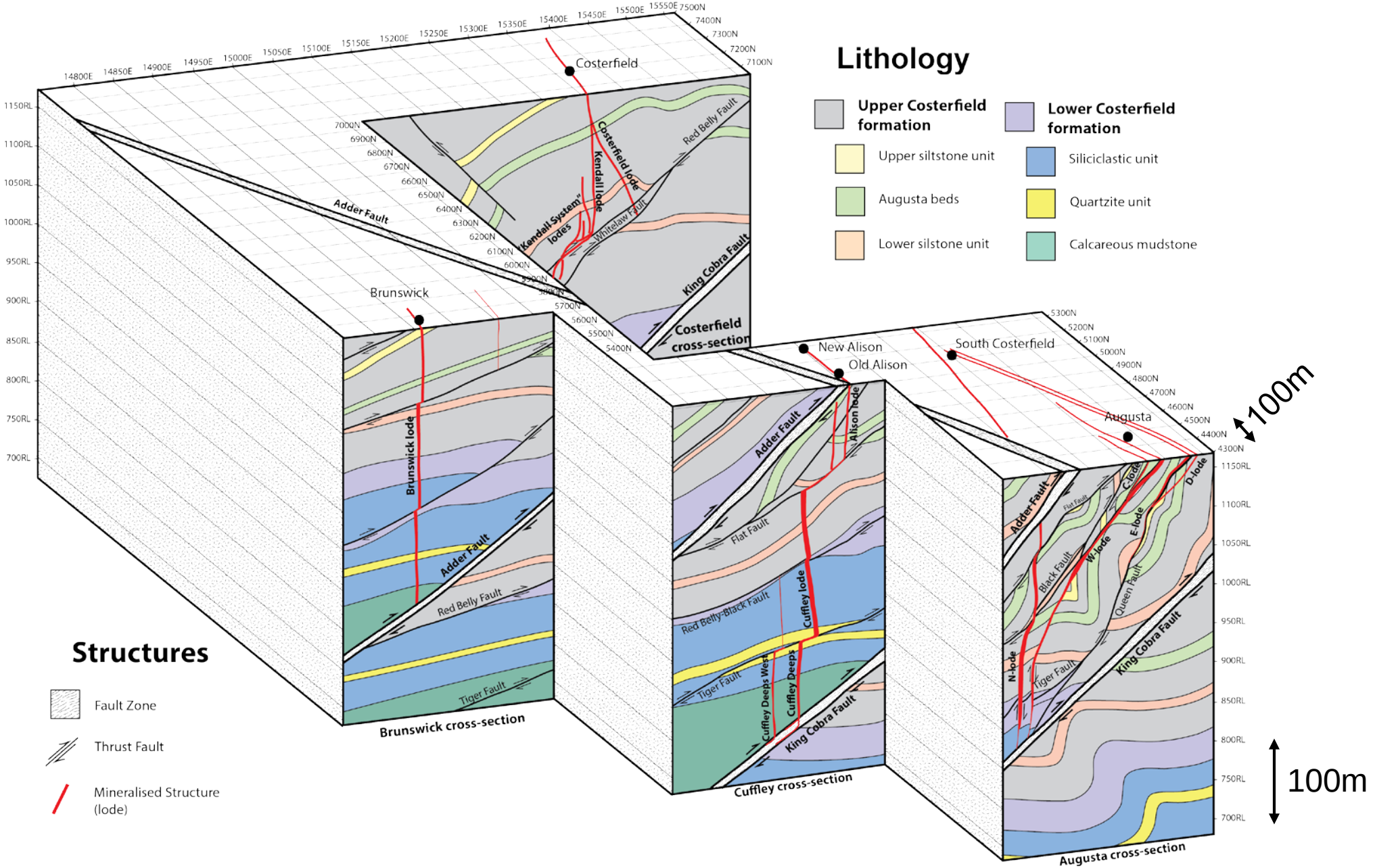
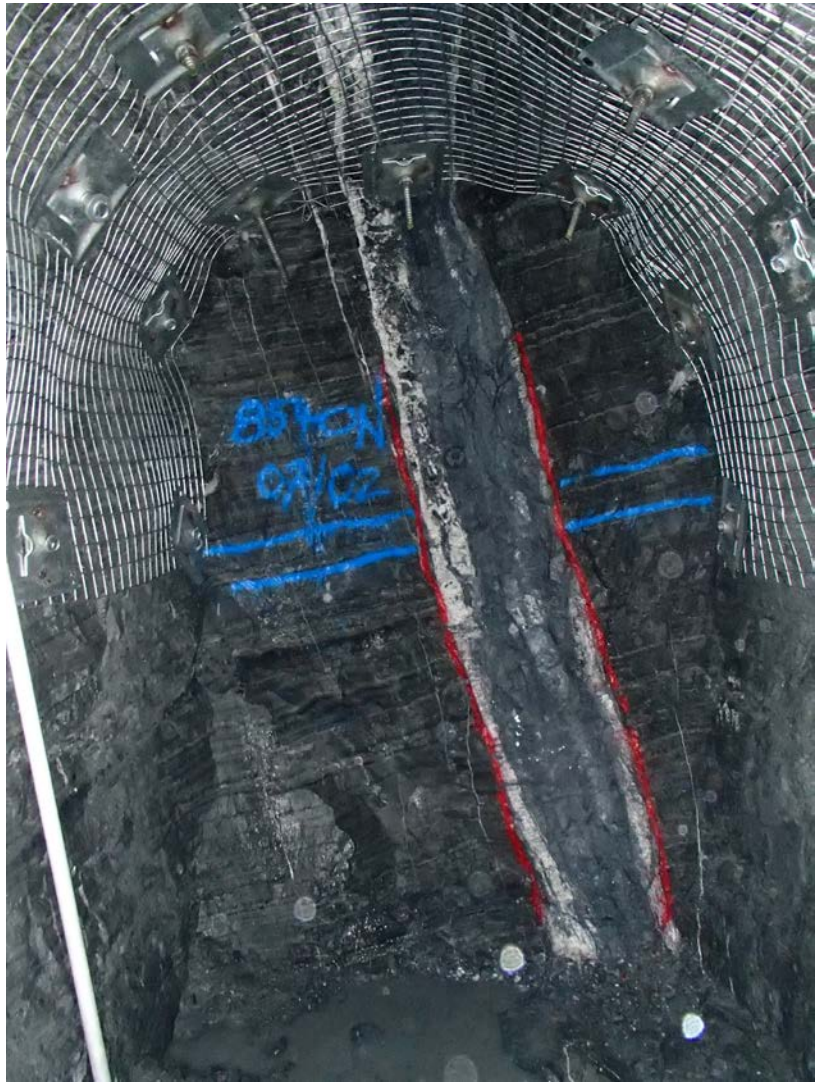
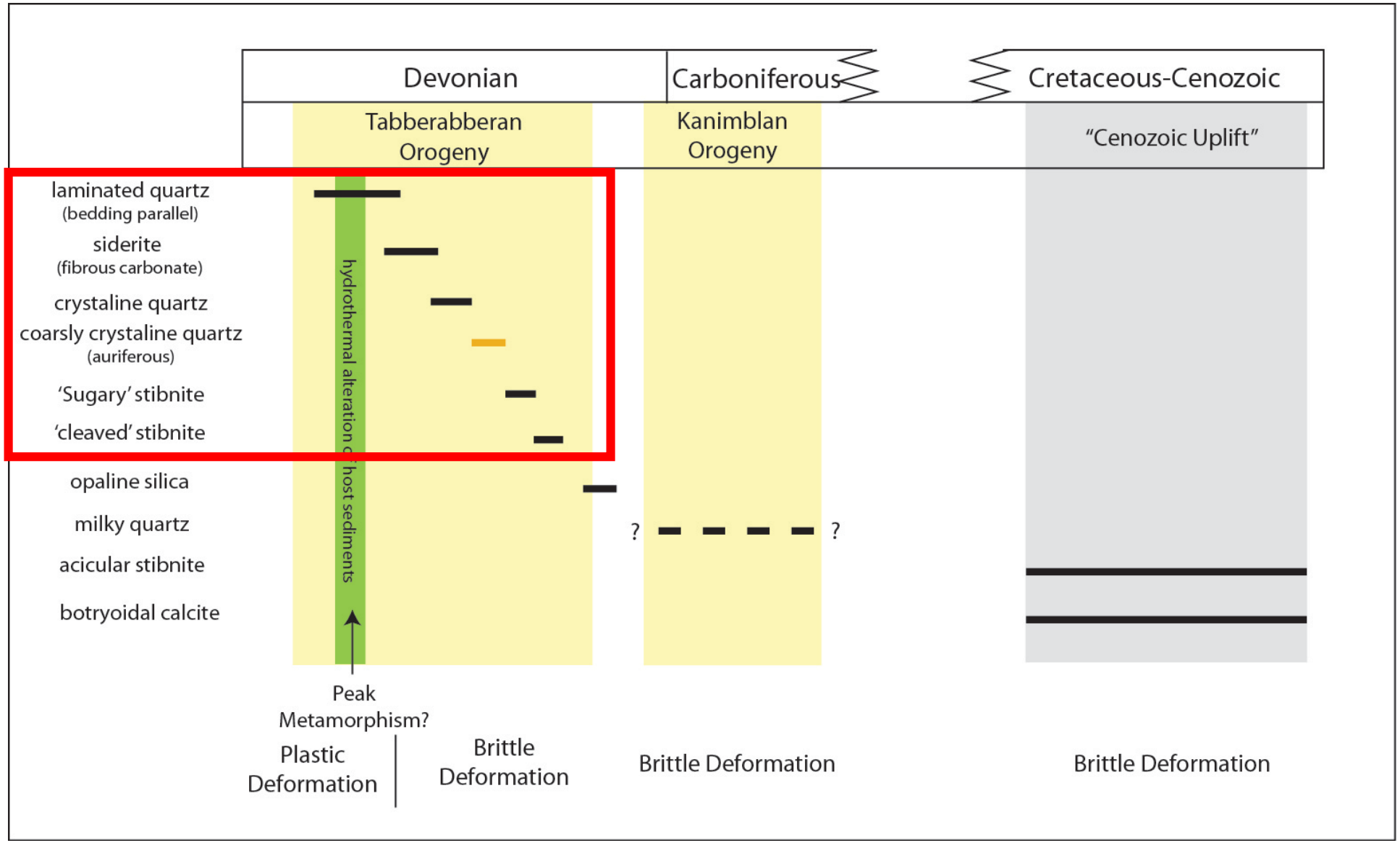
SCHEMATIC BLOCK DRAWING OF THE COSTERFIELD GEOLOGICAL SYSTEM



Mineralisation:

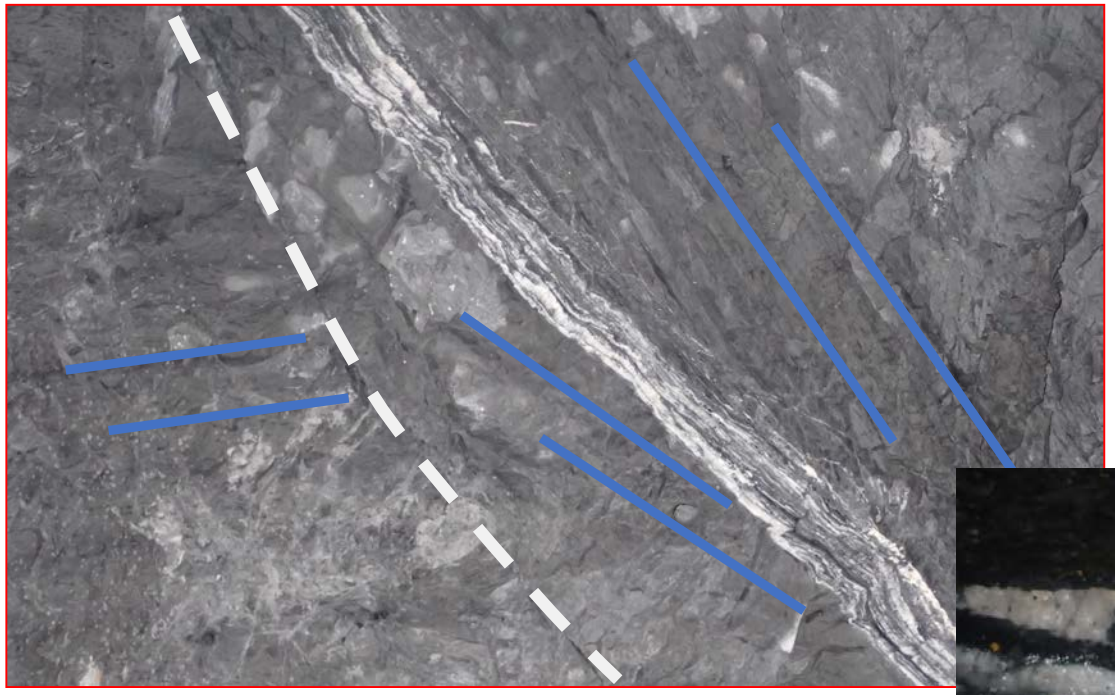


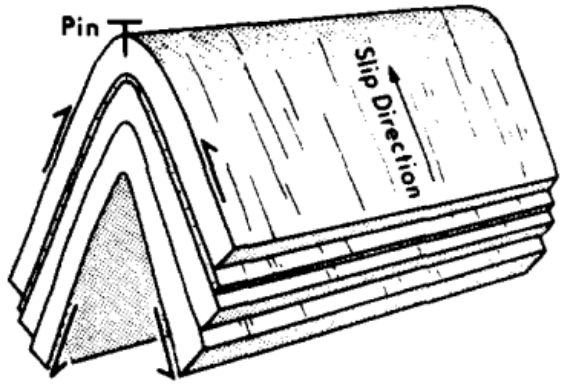
Vein relationships



Modified from Fromhold T.A. (2013)

Laminated quartz





The basic flexural-slip model

Tanner, P.W.F. (1989)
The Flexural Slip Mechanism

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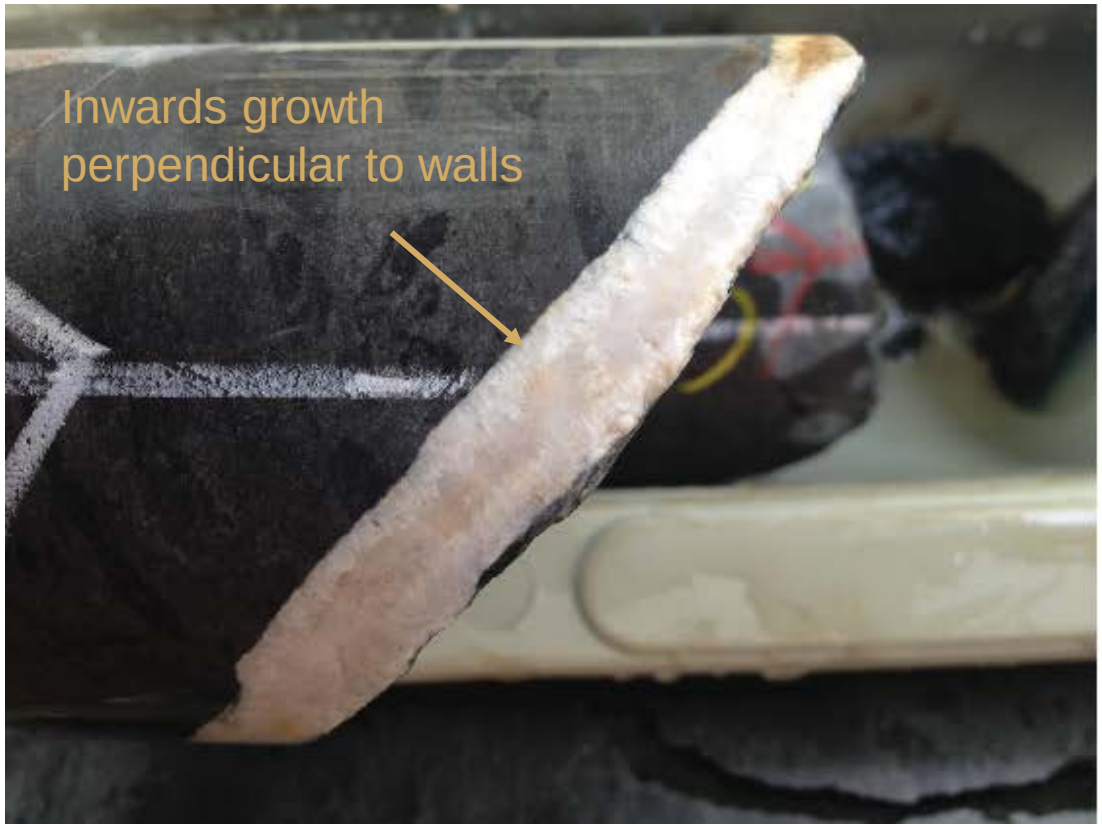
Carbonate and crystalline quartz



Ankerite	$CaFe[CO_3]_2$
Siderite	$FeCO_3$
Rhodochrosite	$MnCO_3$

Fromhold, 2013.

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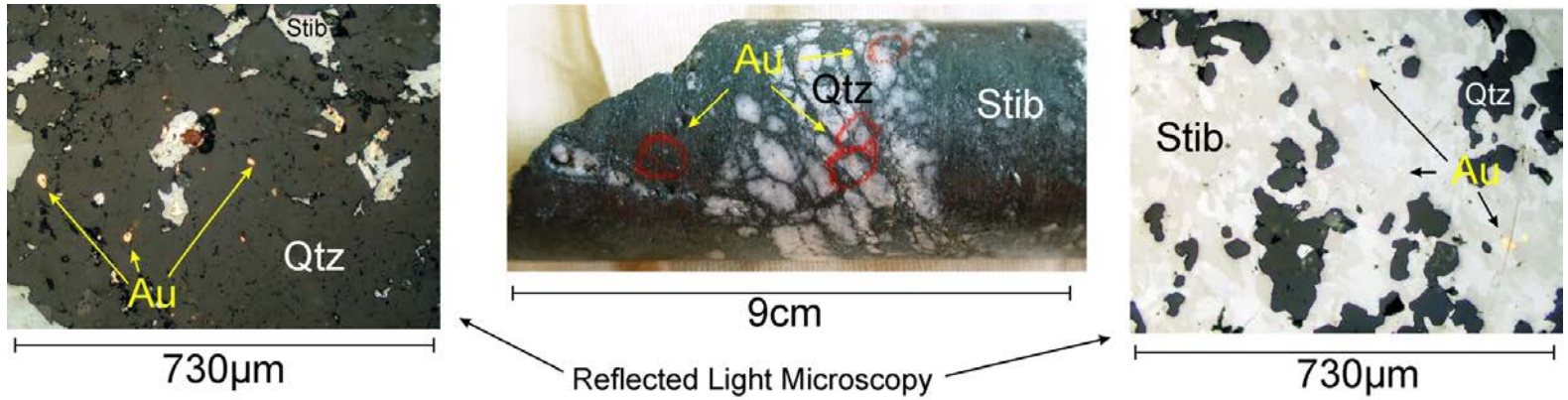
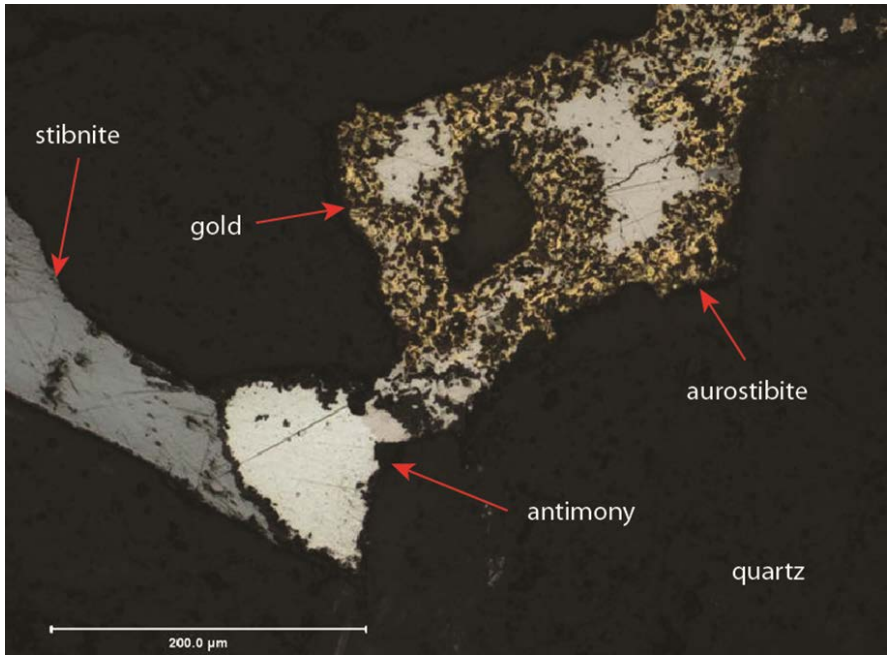
Stibnite textures

Massive/Sugary Vs. Cleaved

Fromhold, 2013.

Gold!





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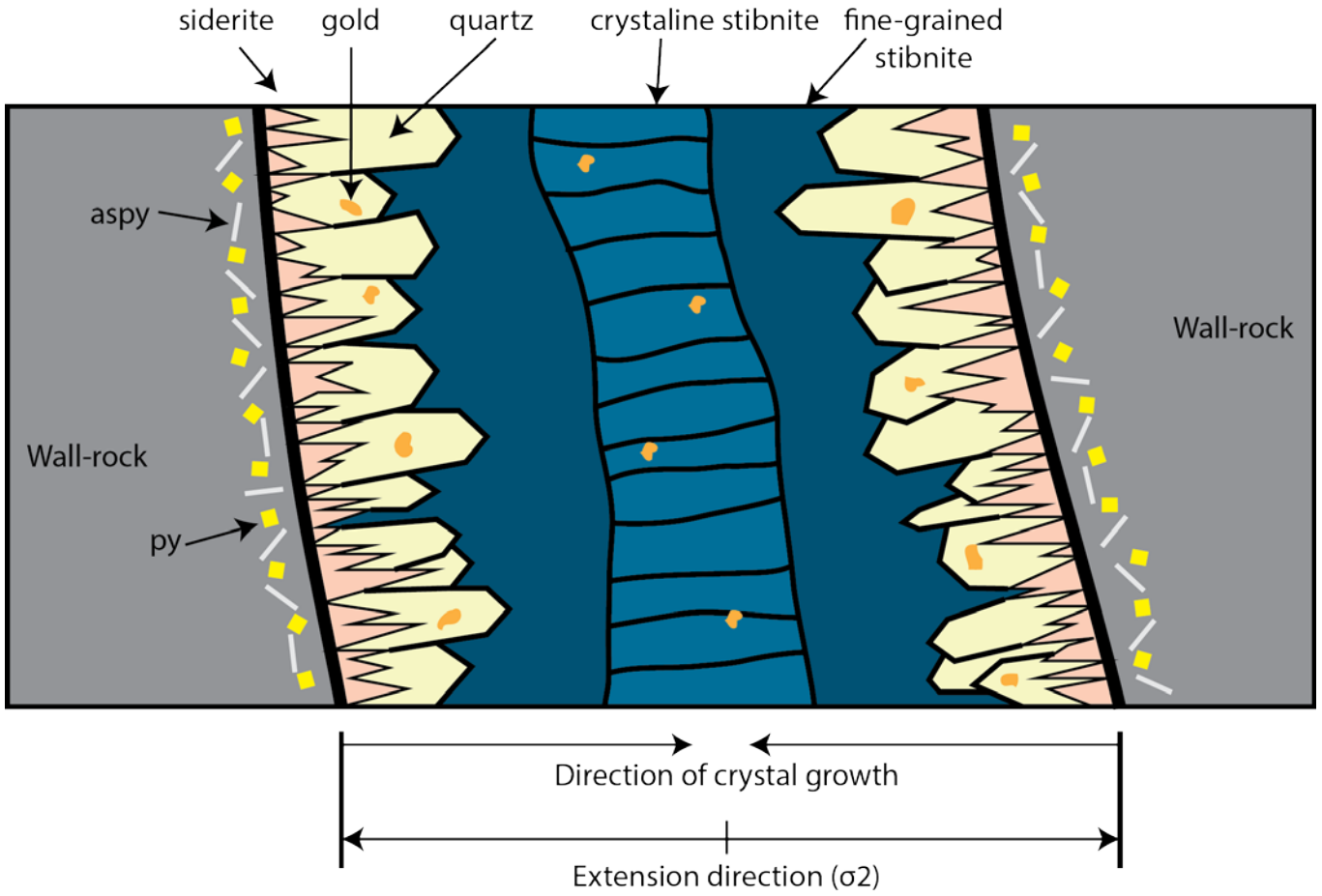
Stibnite textures



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Modified from Fromhold T.A. (2013)

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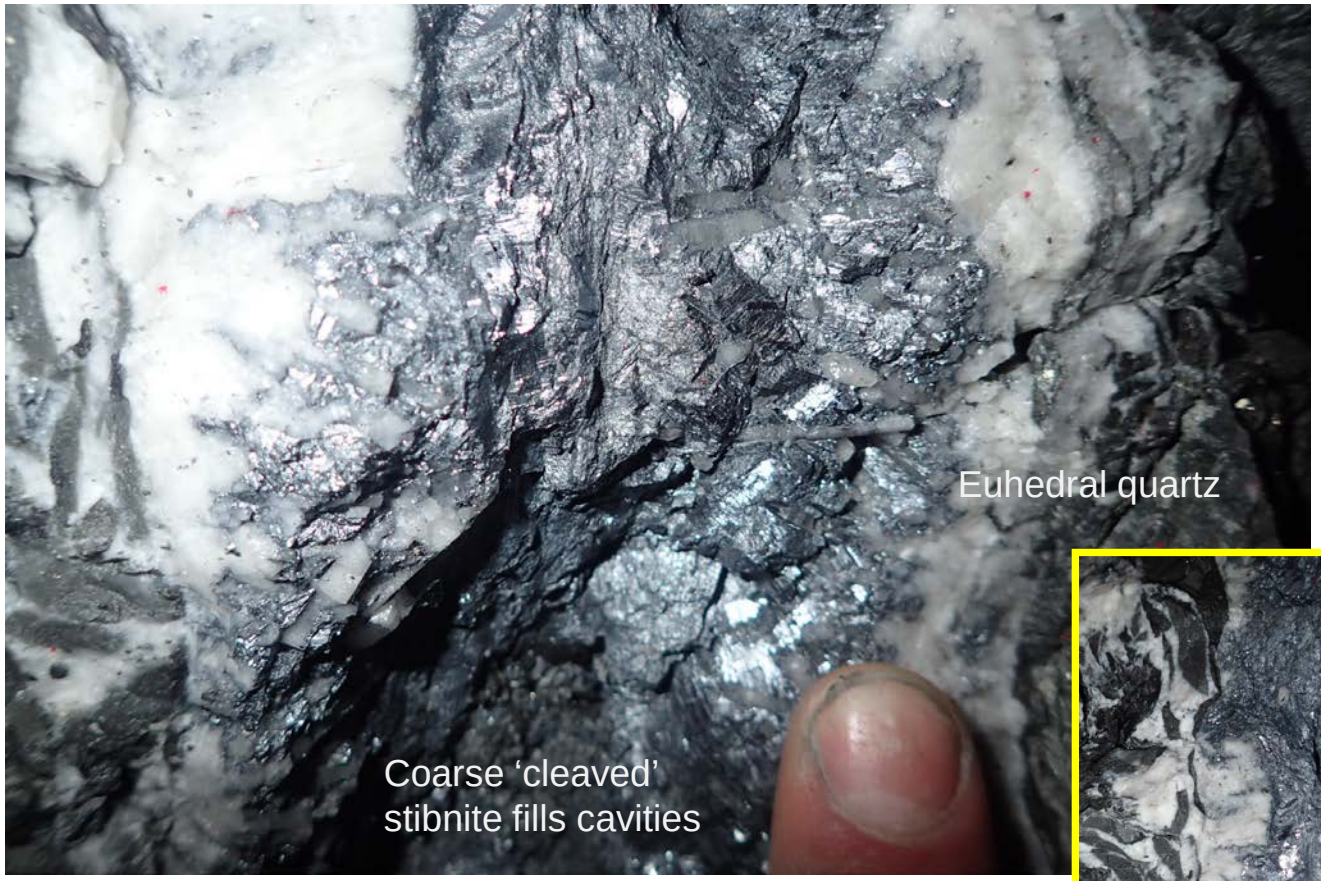
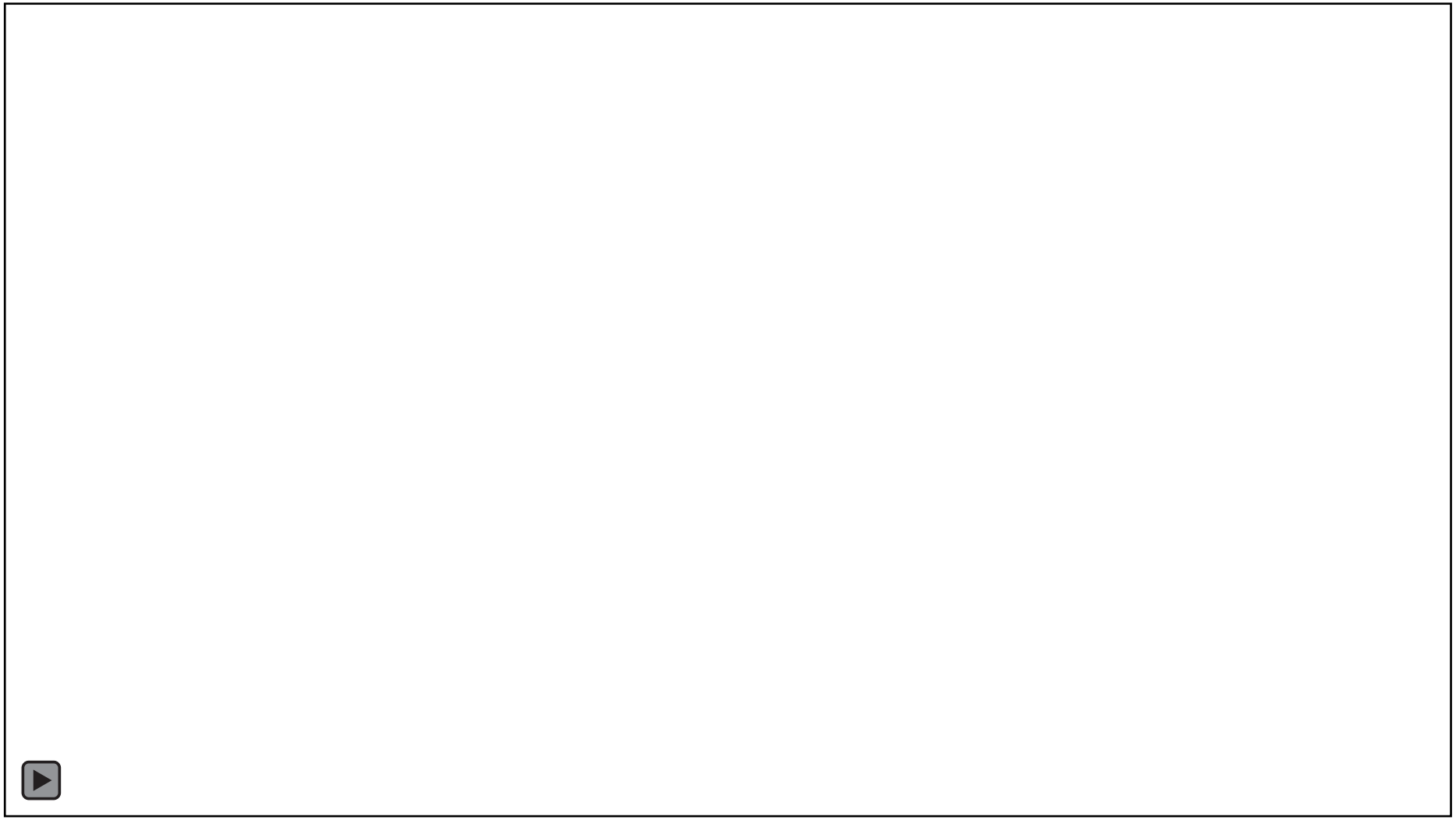
2nd
Converging
splay vein


Euhedral quartz
Coarse ‘cleaved’
stibnite fills cavities

Youle - Location



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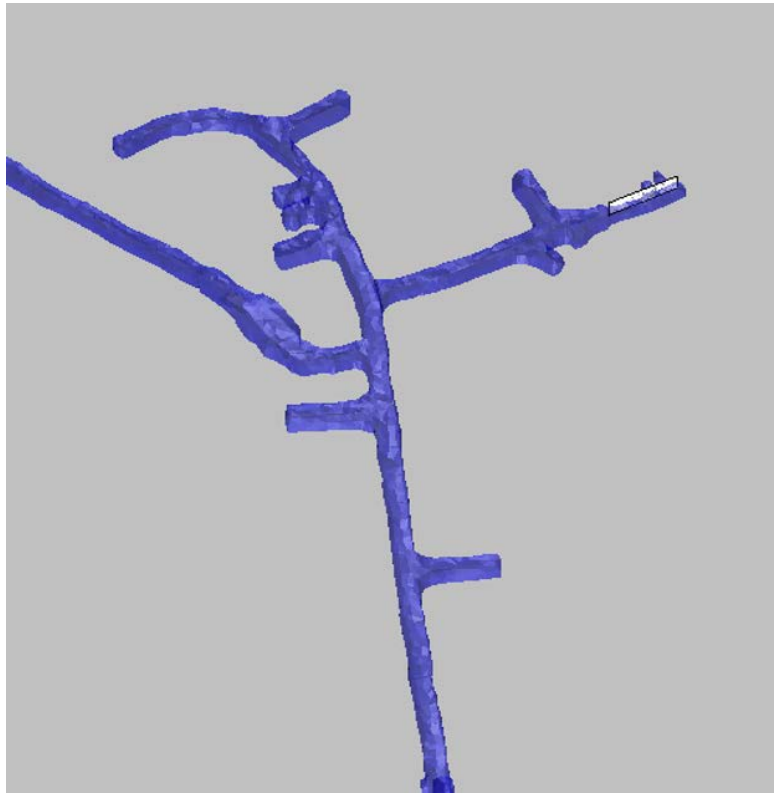
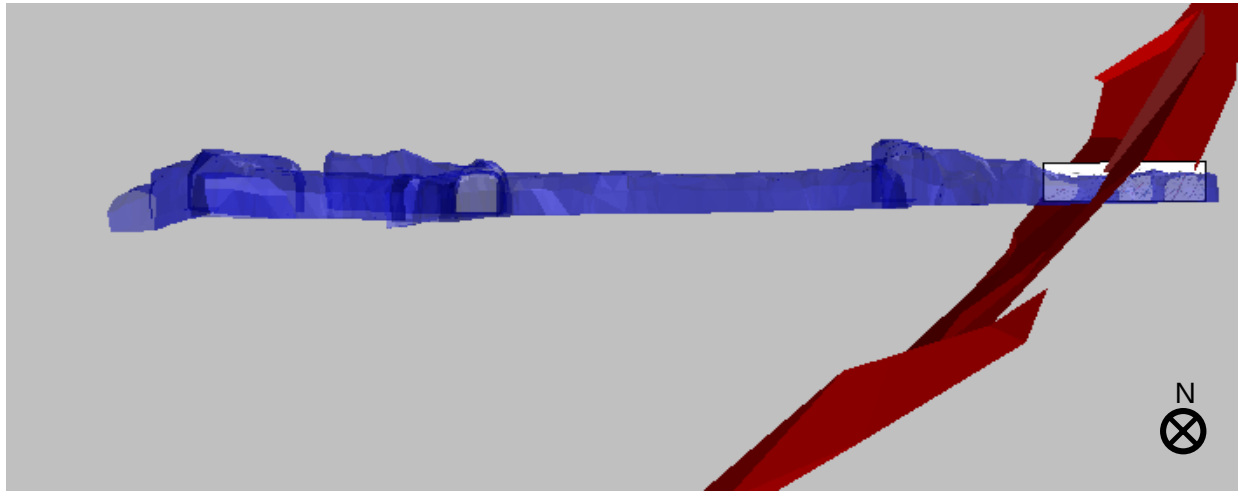
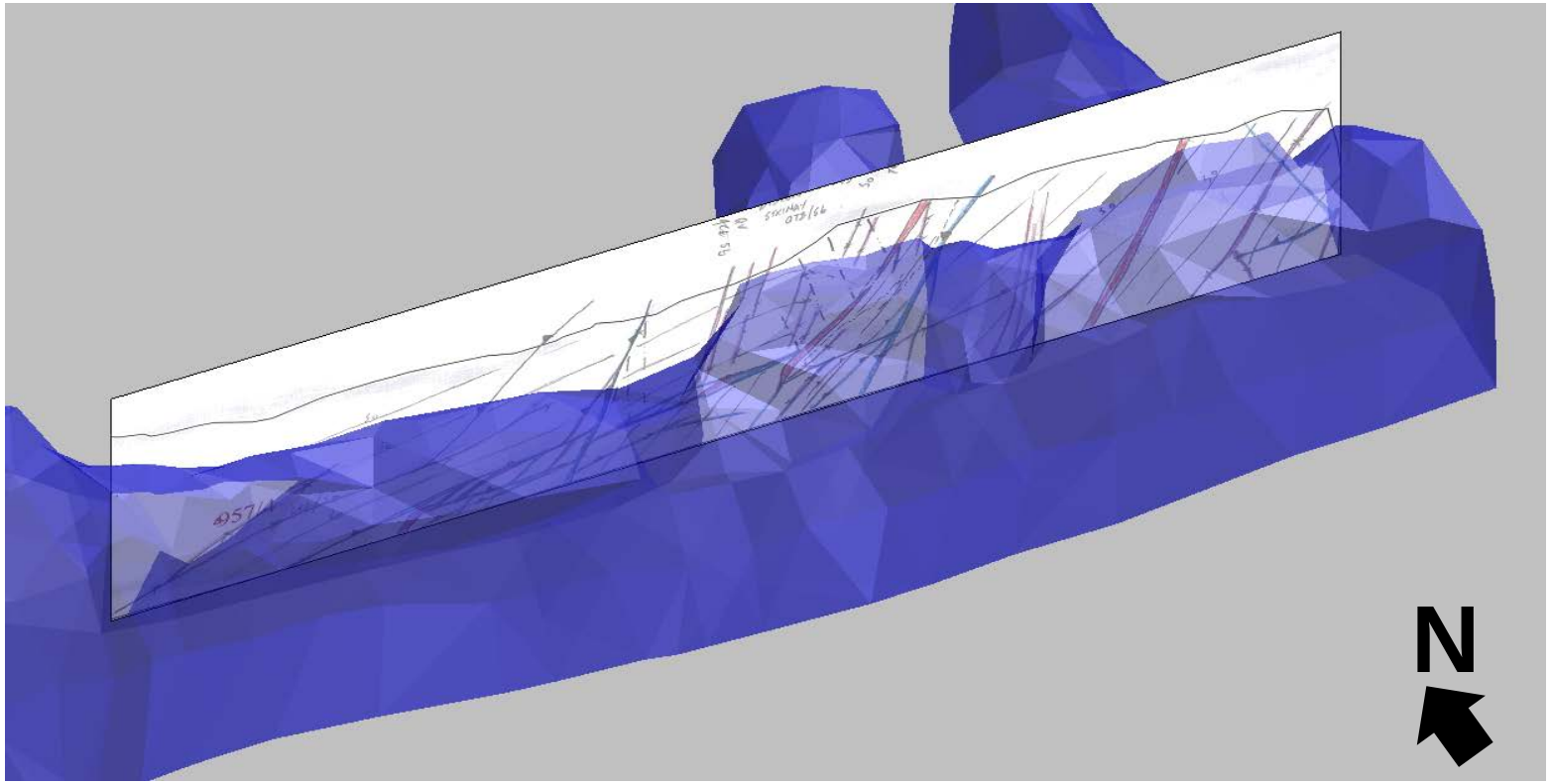


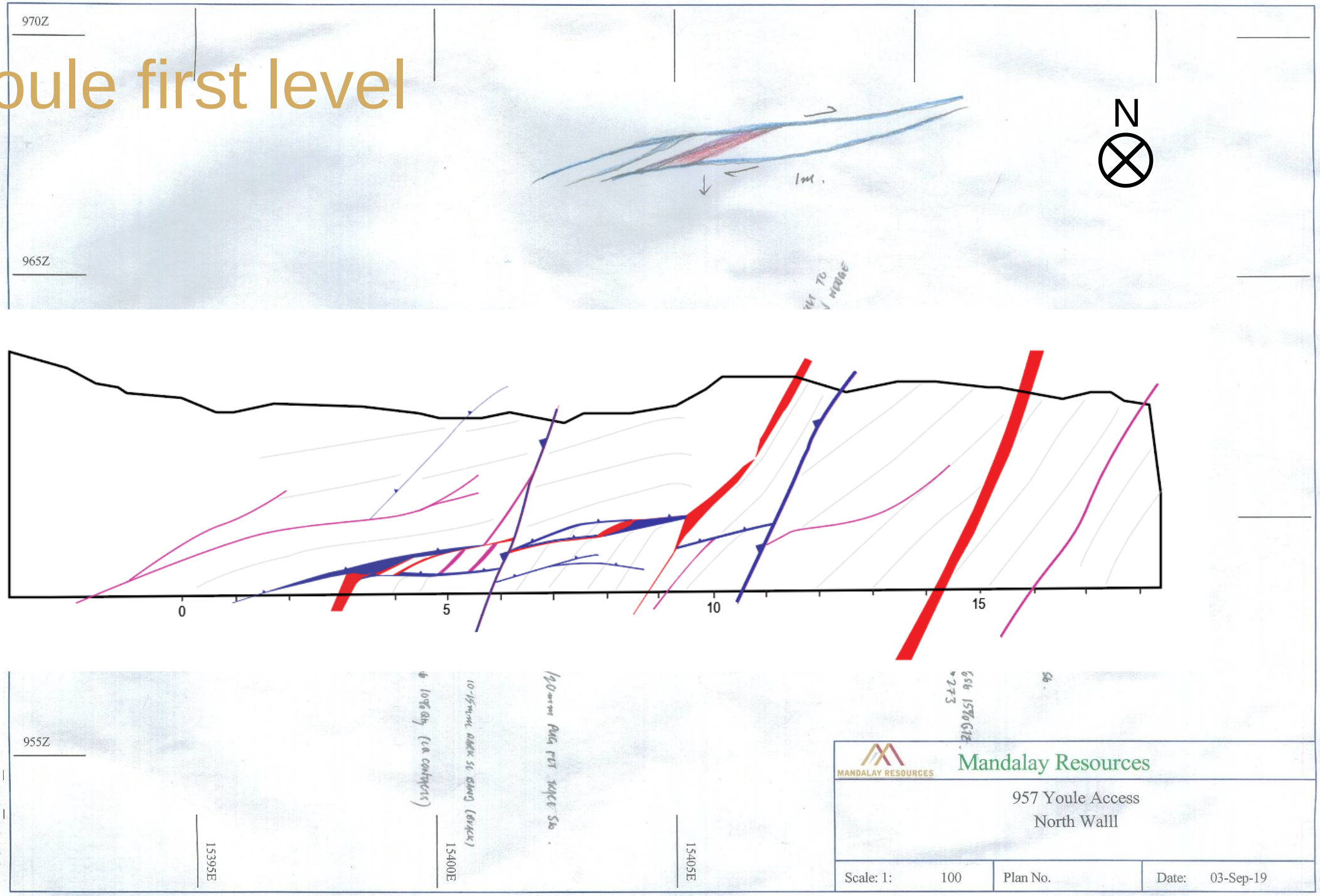


Case Study: Youle first level

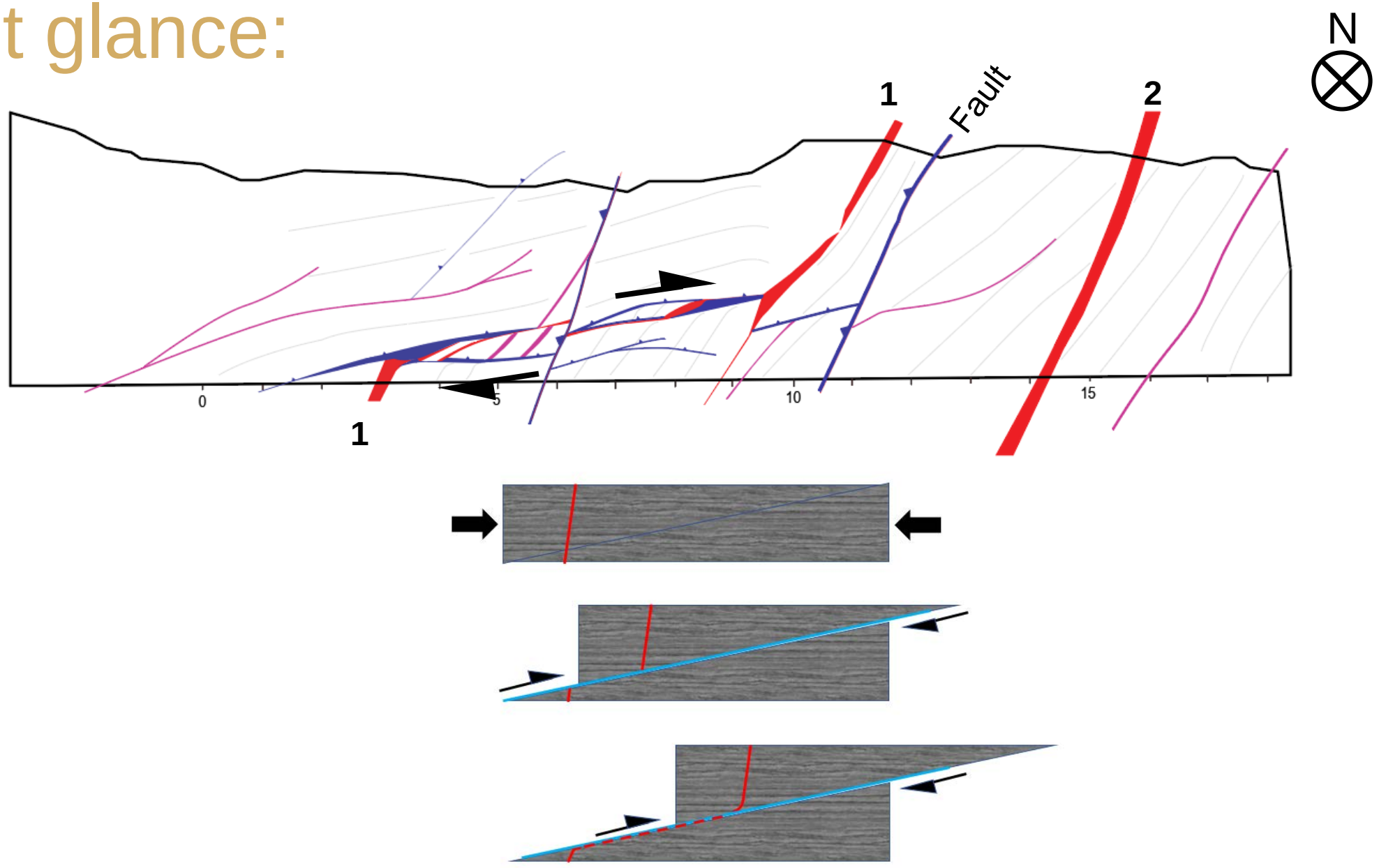


MANDALAY RESOURCES

Youle first level



First glance:



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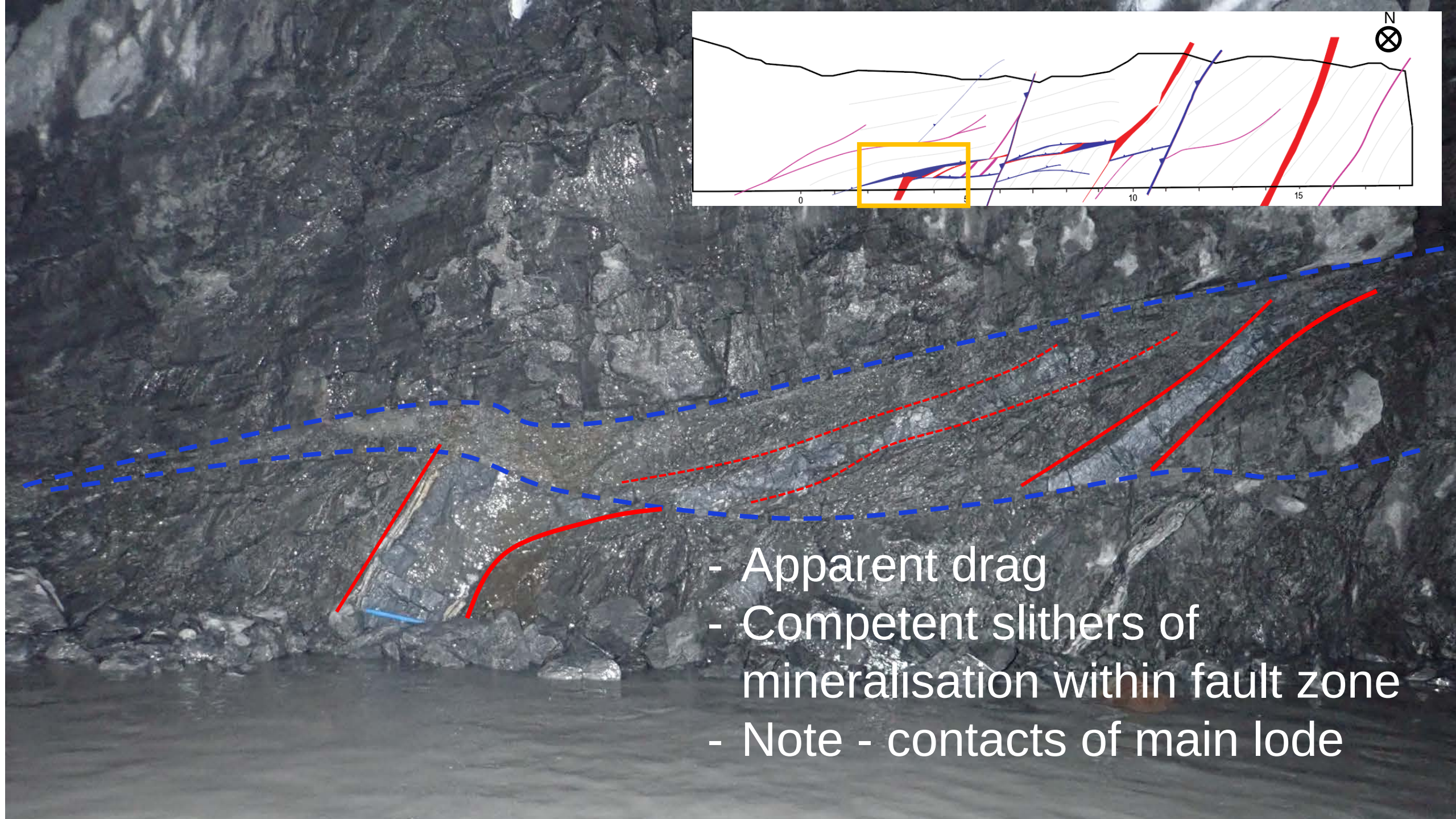
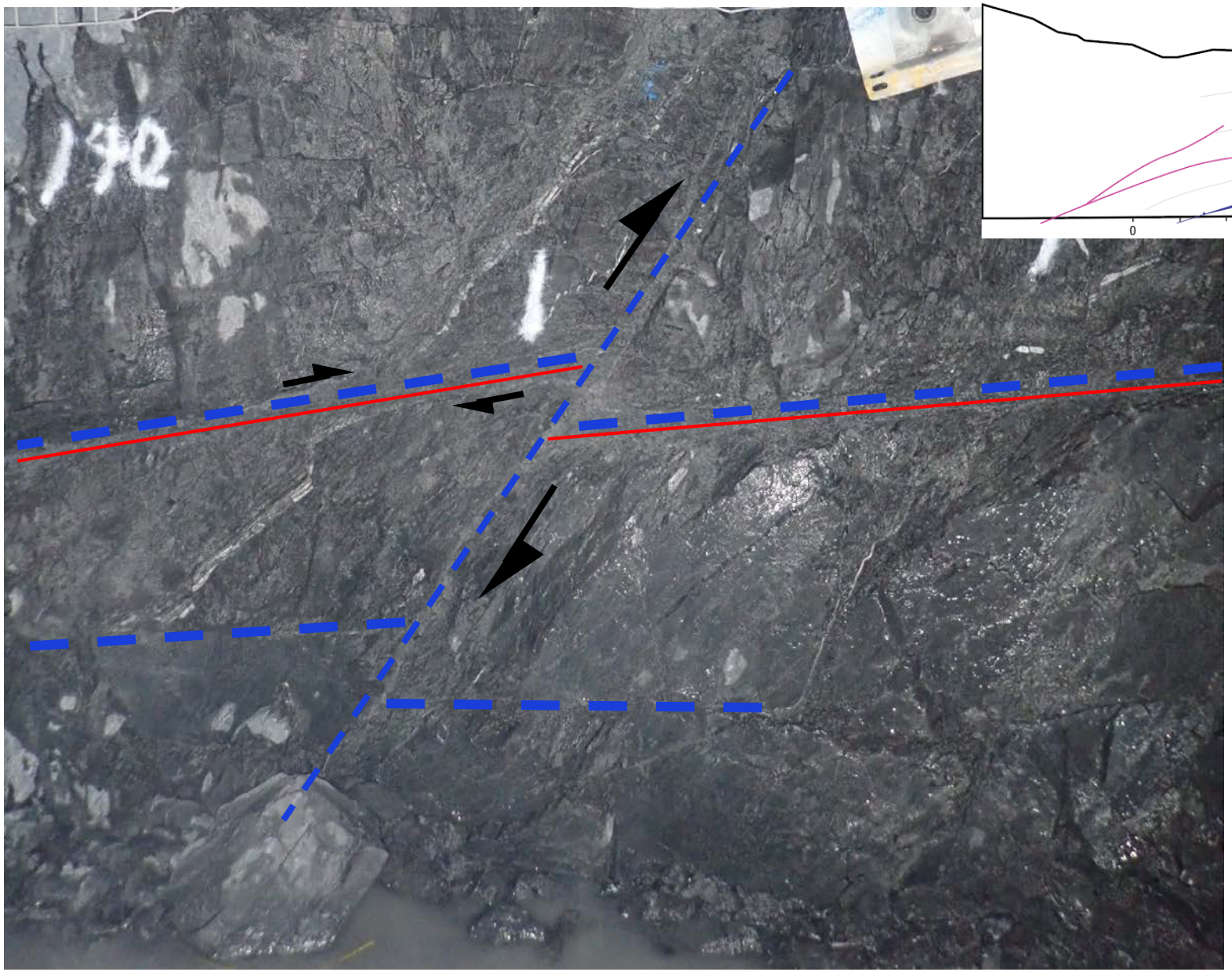
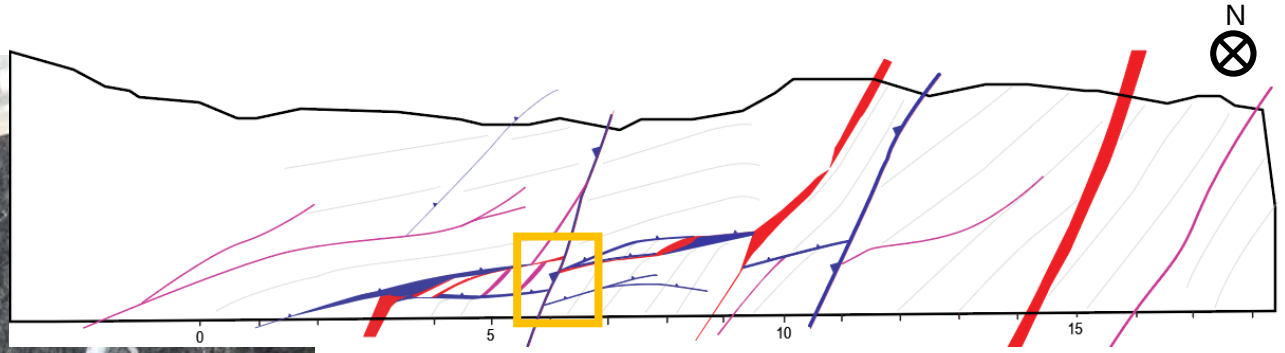
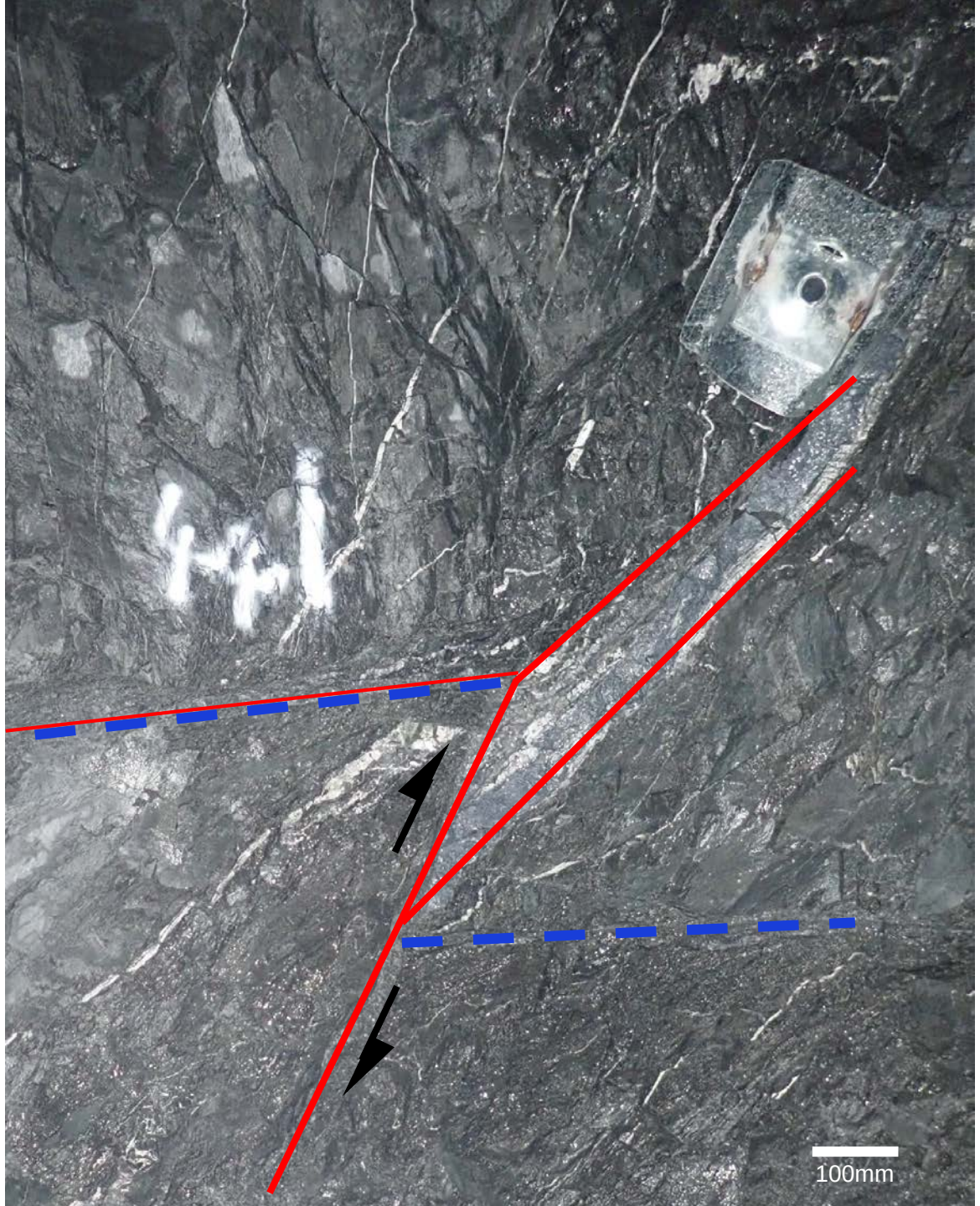
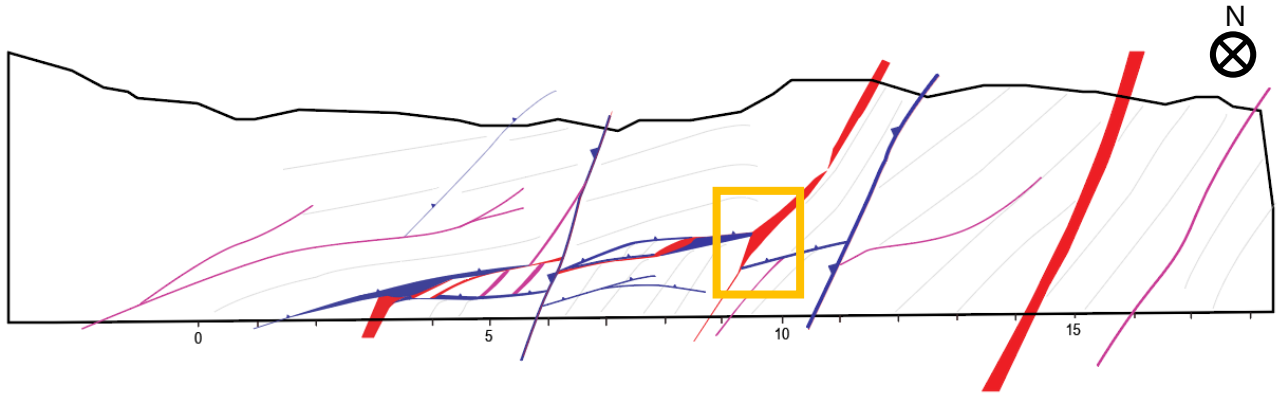

N
0
10
15
- Apparent drag
- Competent slithers of mineralisation within fault zone
- Note - contacts of main lode





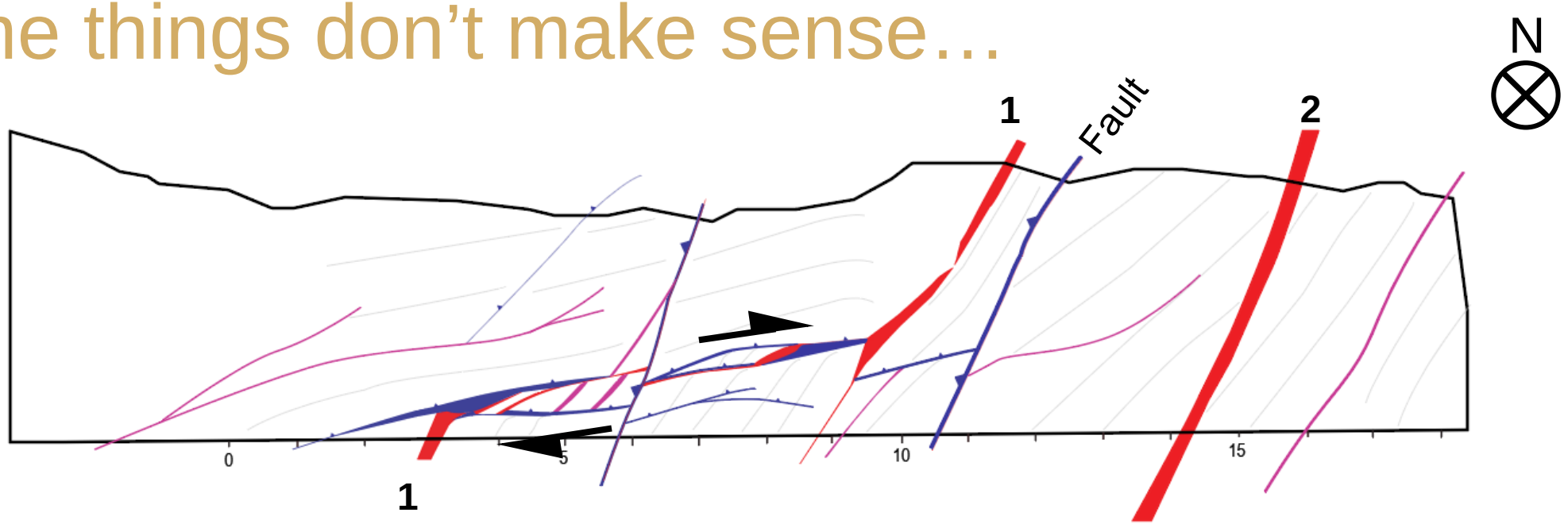
- Continuous mineralisation along fault plane
- Fault drag on earlier structures (not mineralised)

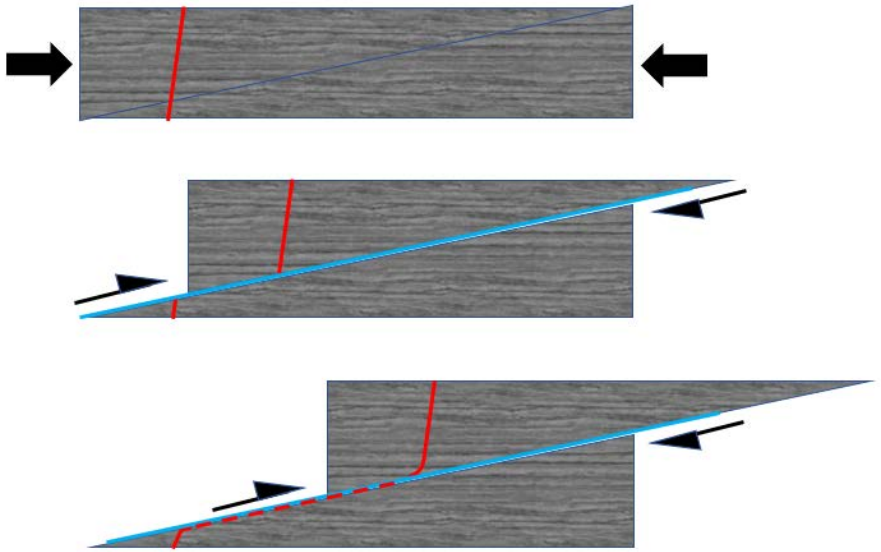




- Sharp vein termination
- No drag along fault
- Fault is offset

Some things don’t make sense…





?

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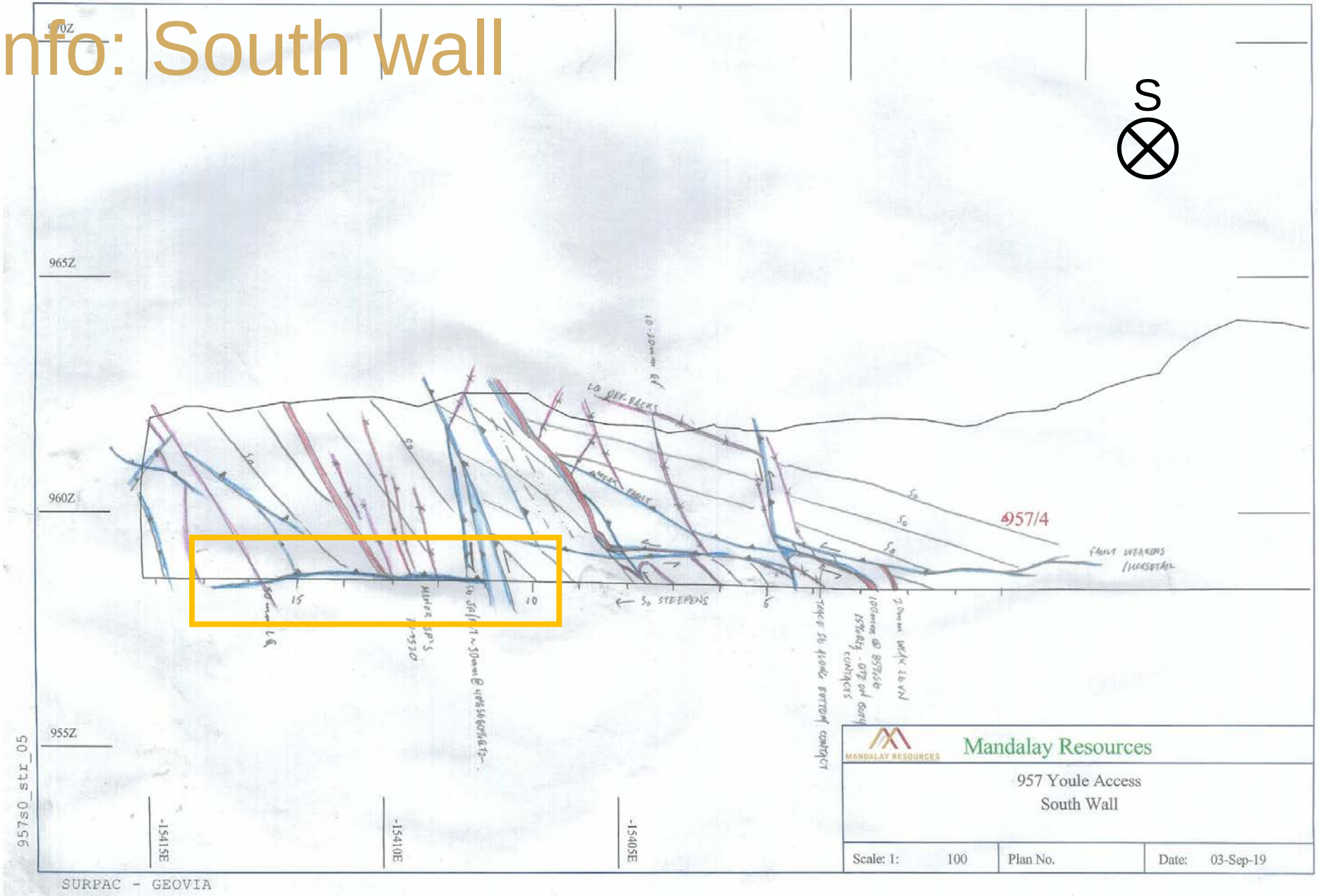
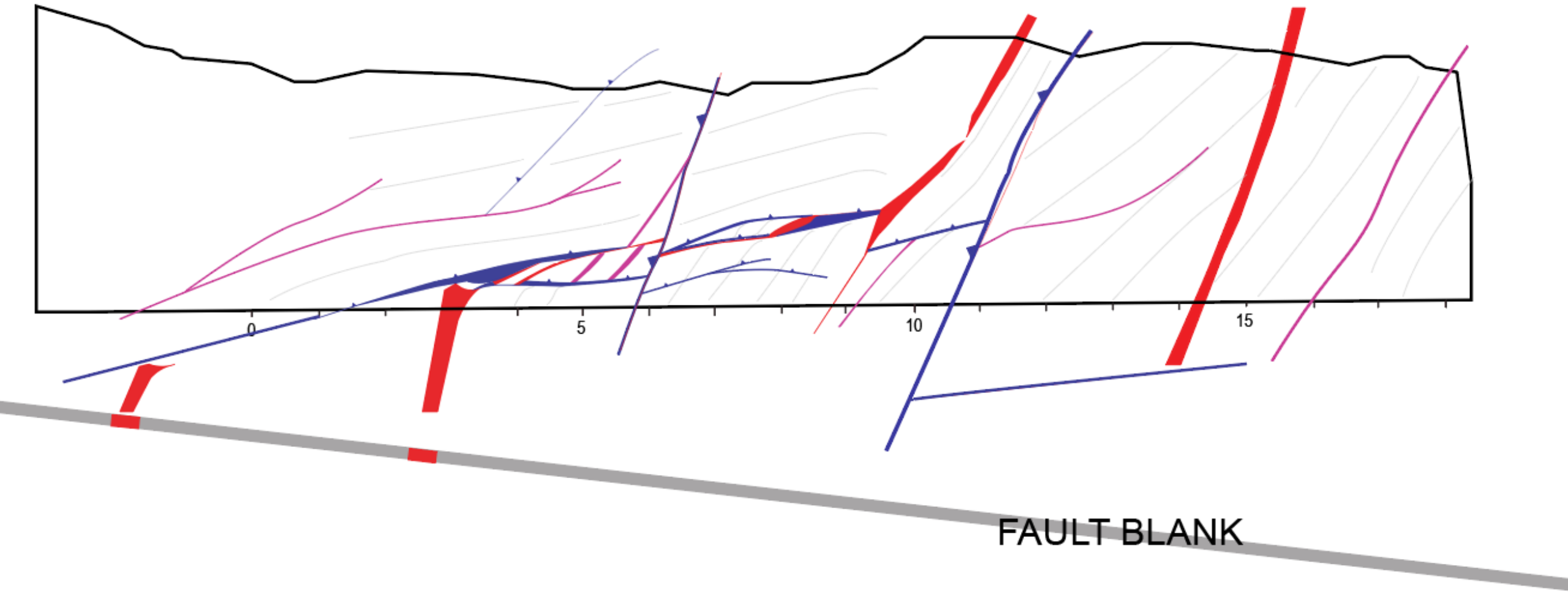
Extra info: South wall

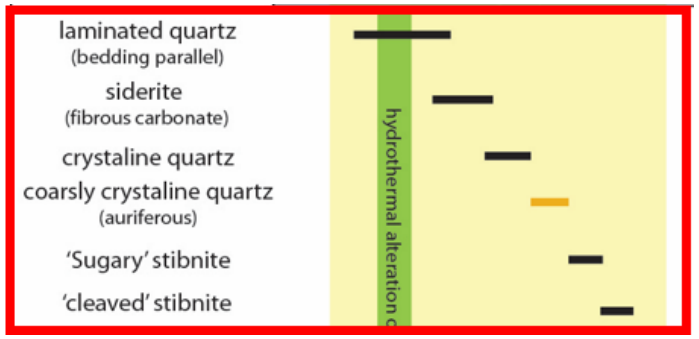


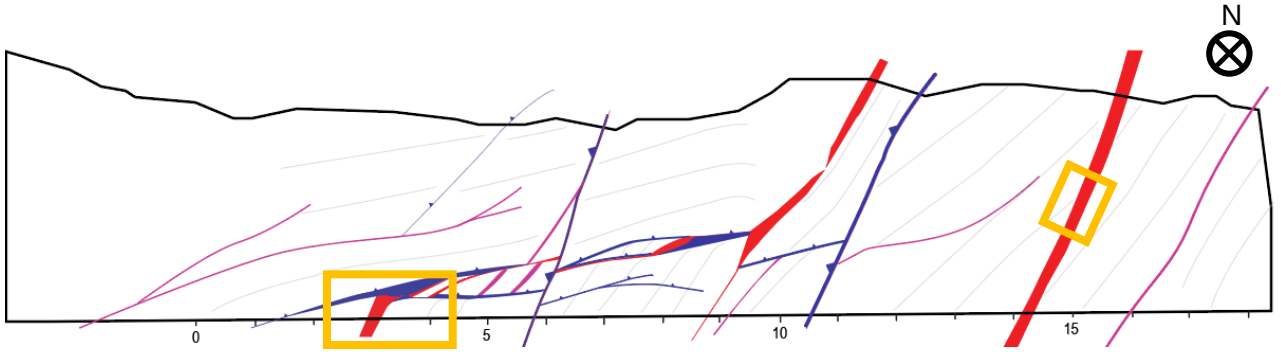
East vein is offset into floor

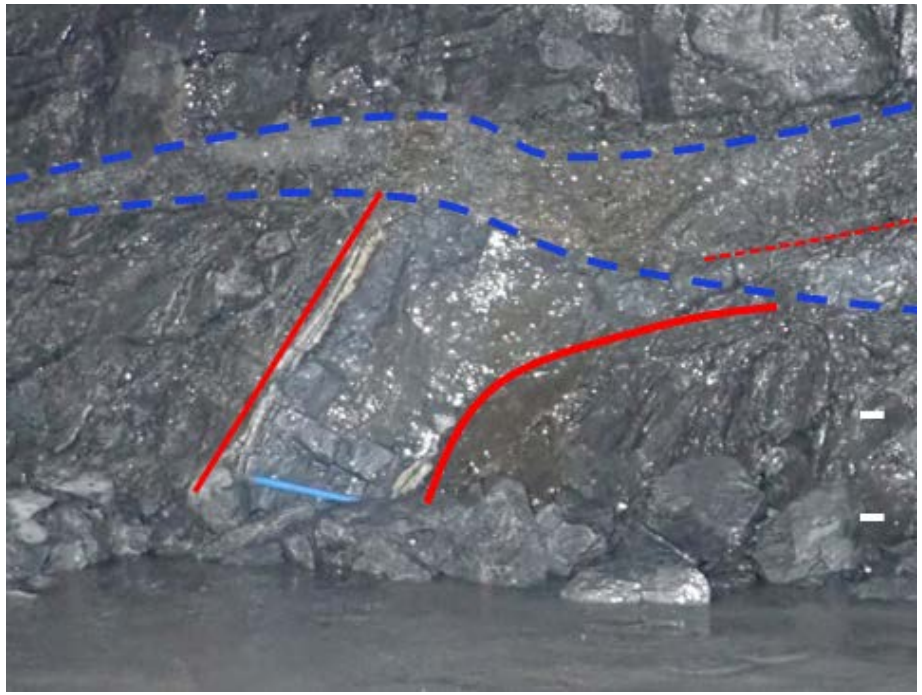
Drill hole further north (~10m)

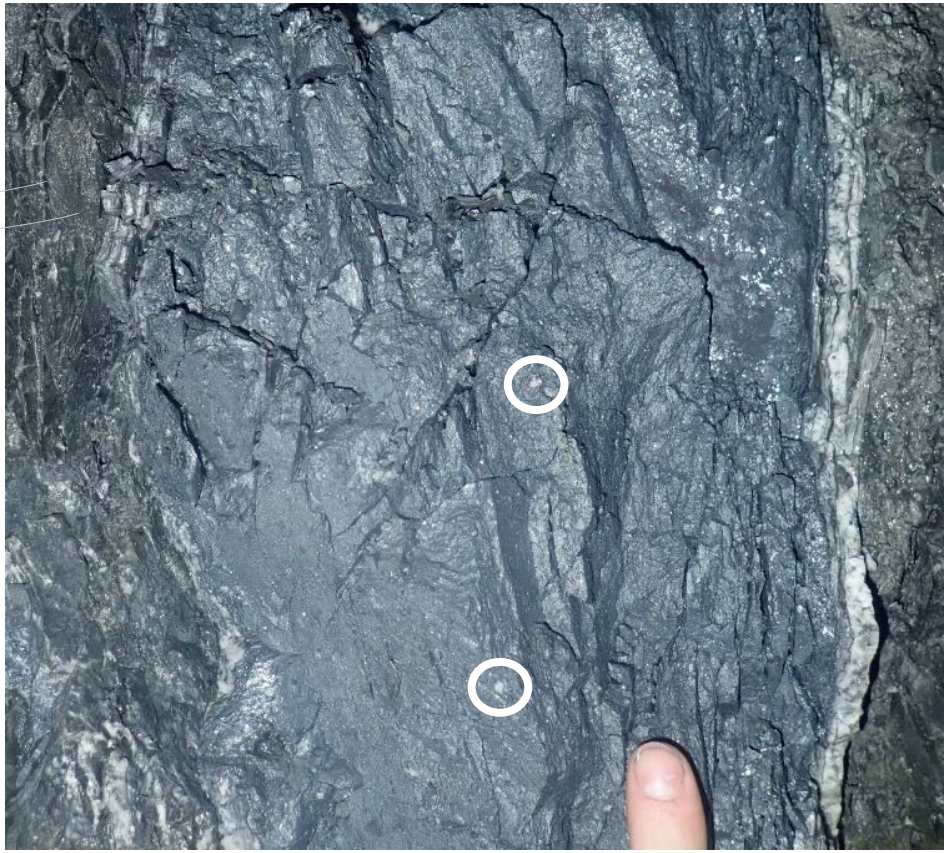


Paragenetic sequence

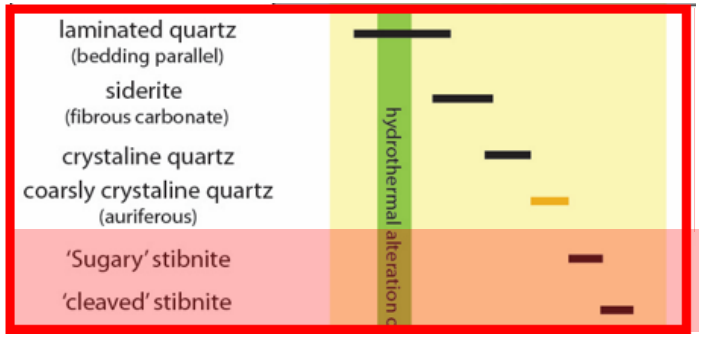


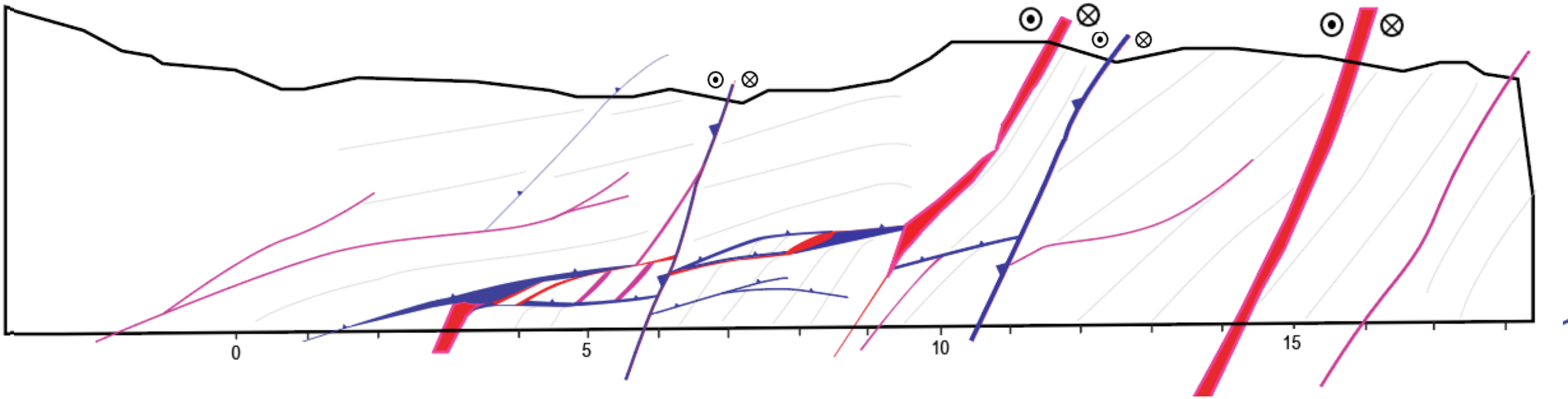






3) Oblique slip - mineralisation





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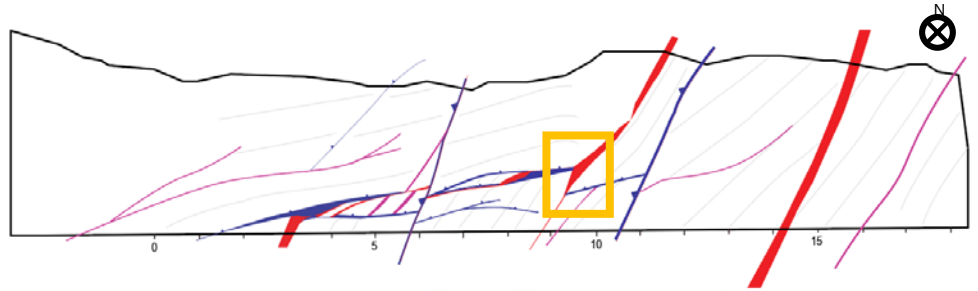
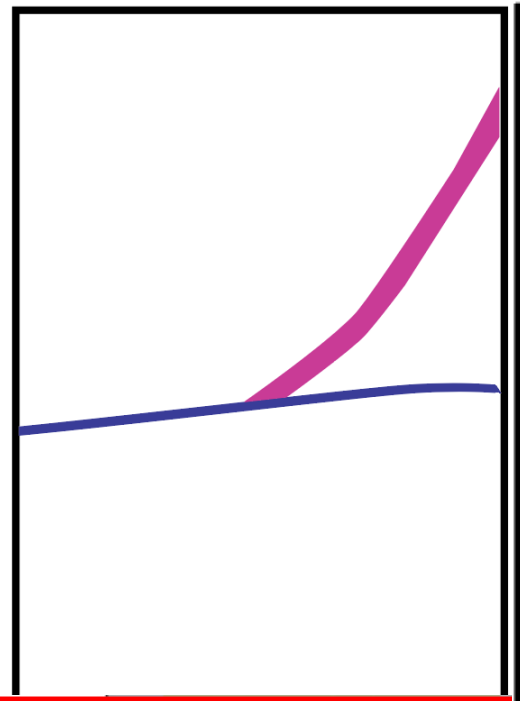
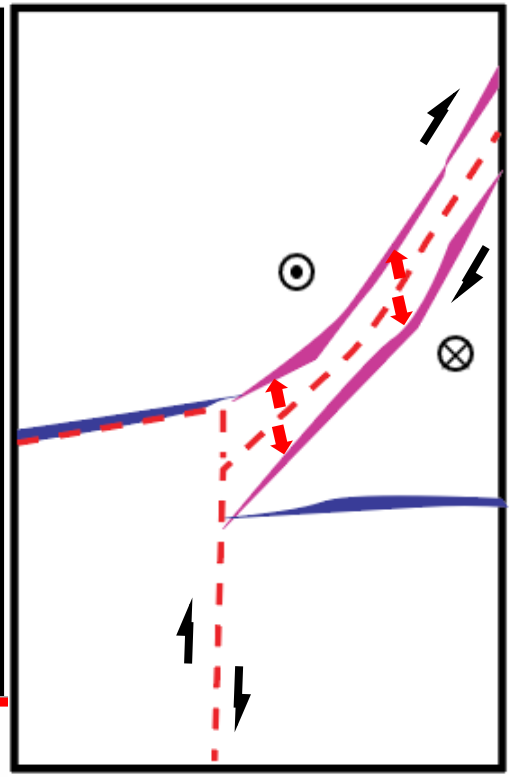
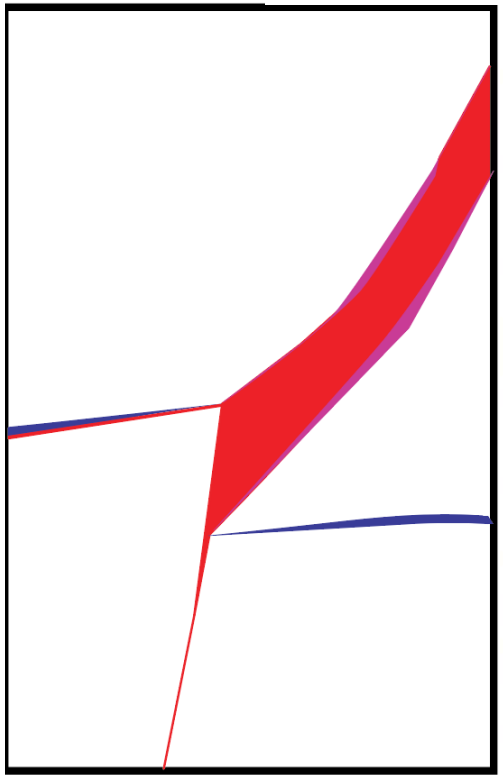
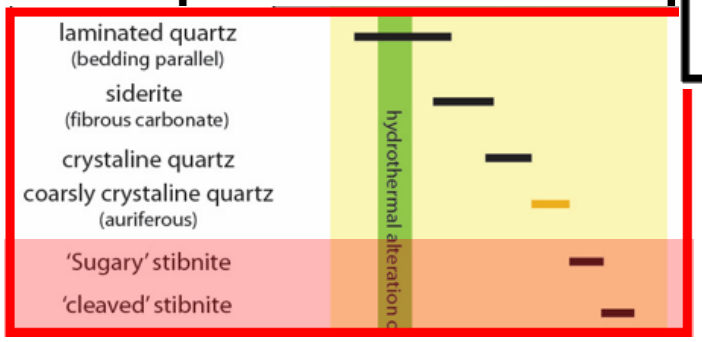


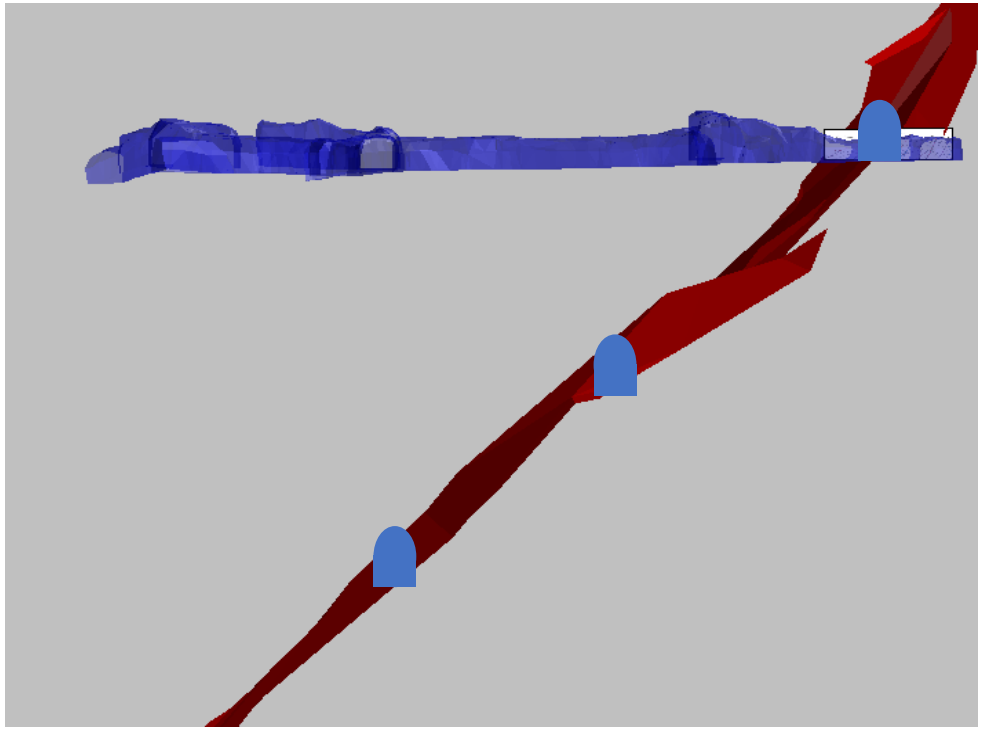


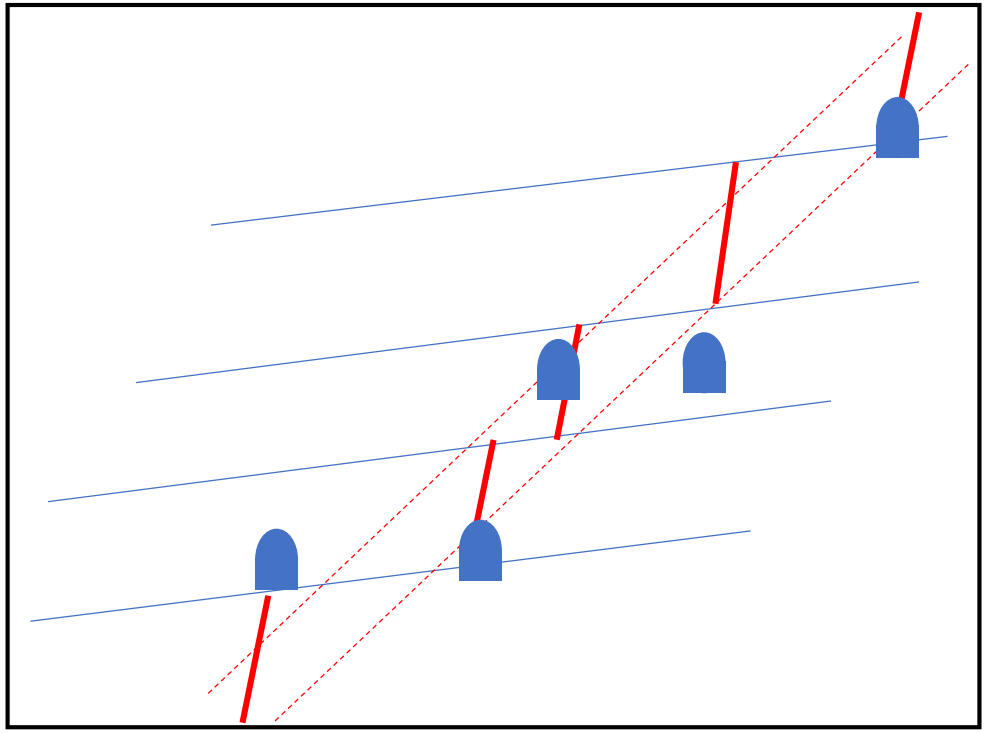






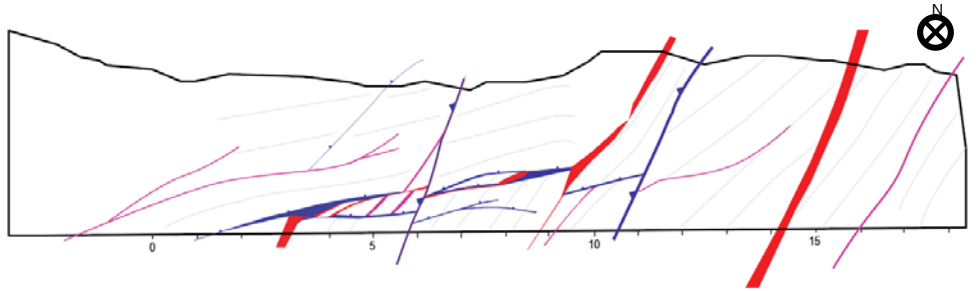
Implications (?)

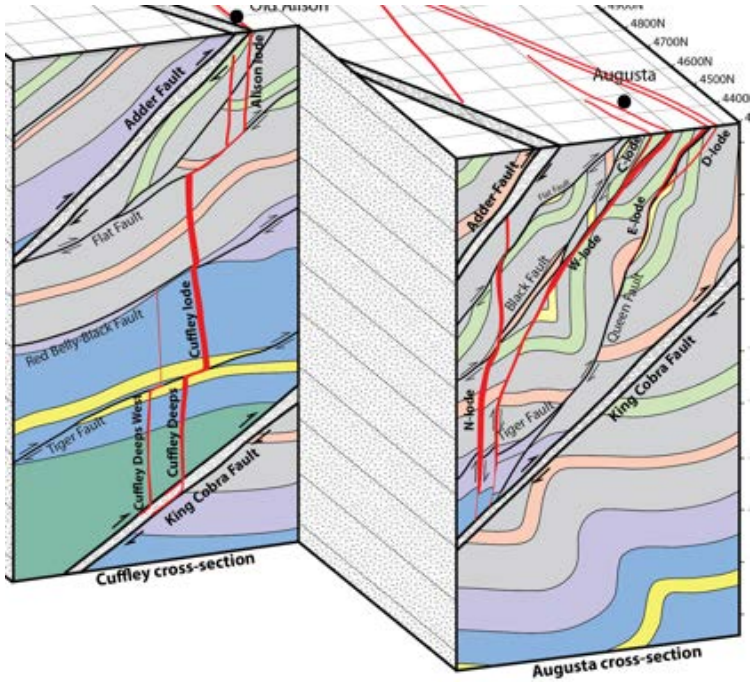


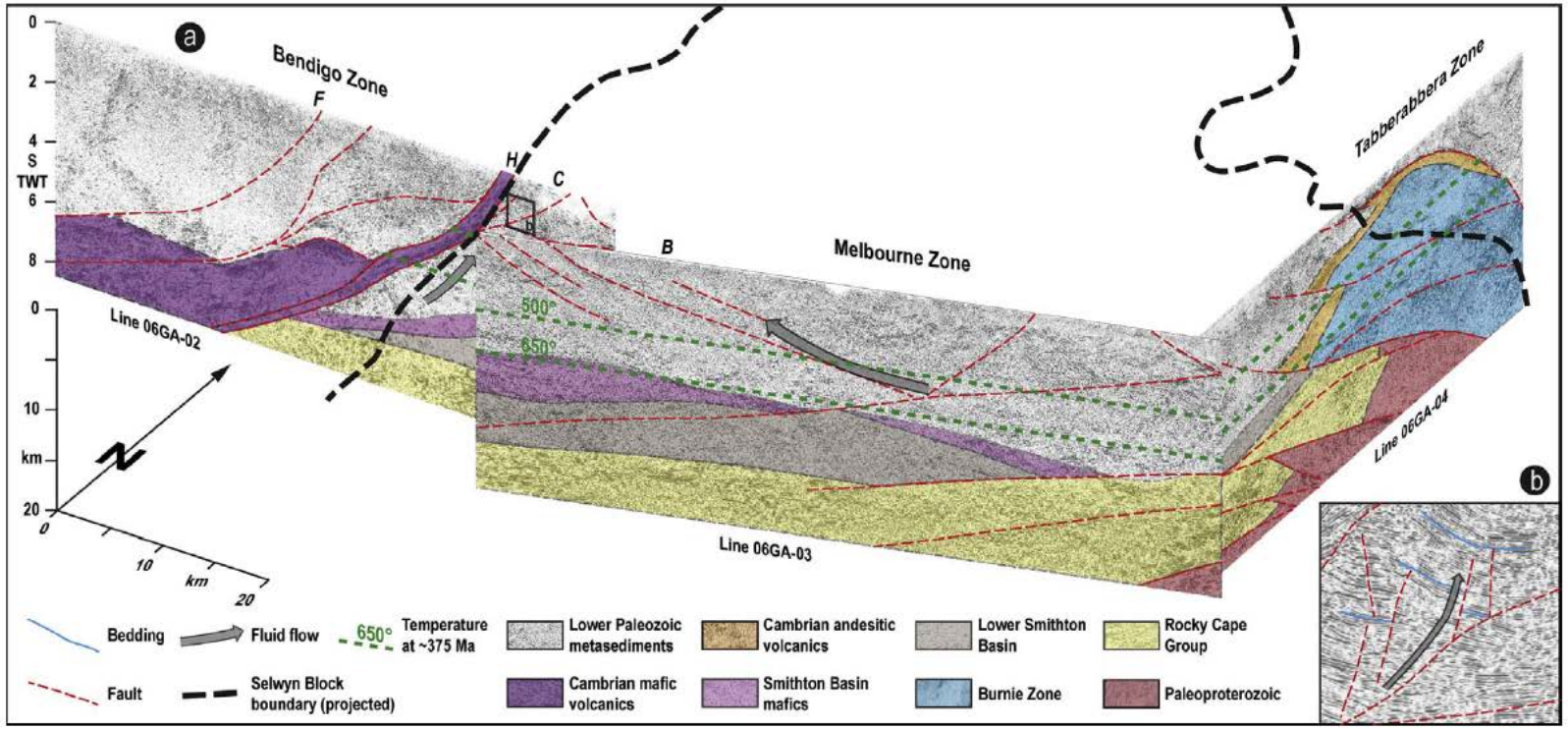


= drilling in progress

Snapshot of a larger system





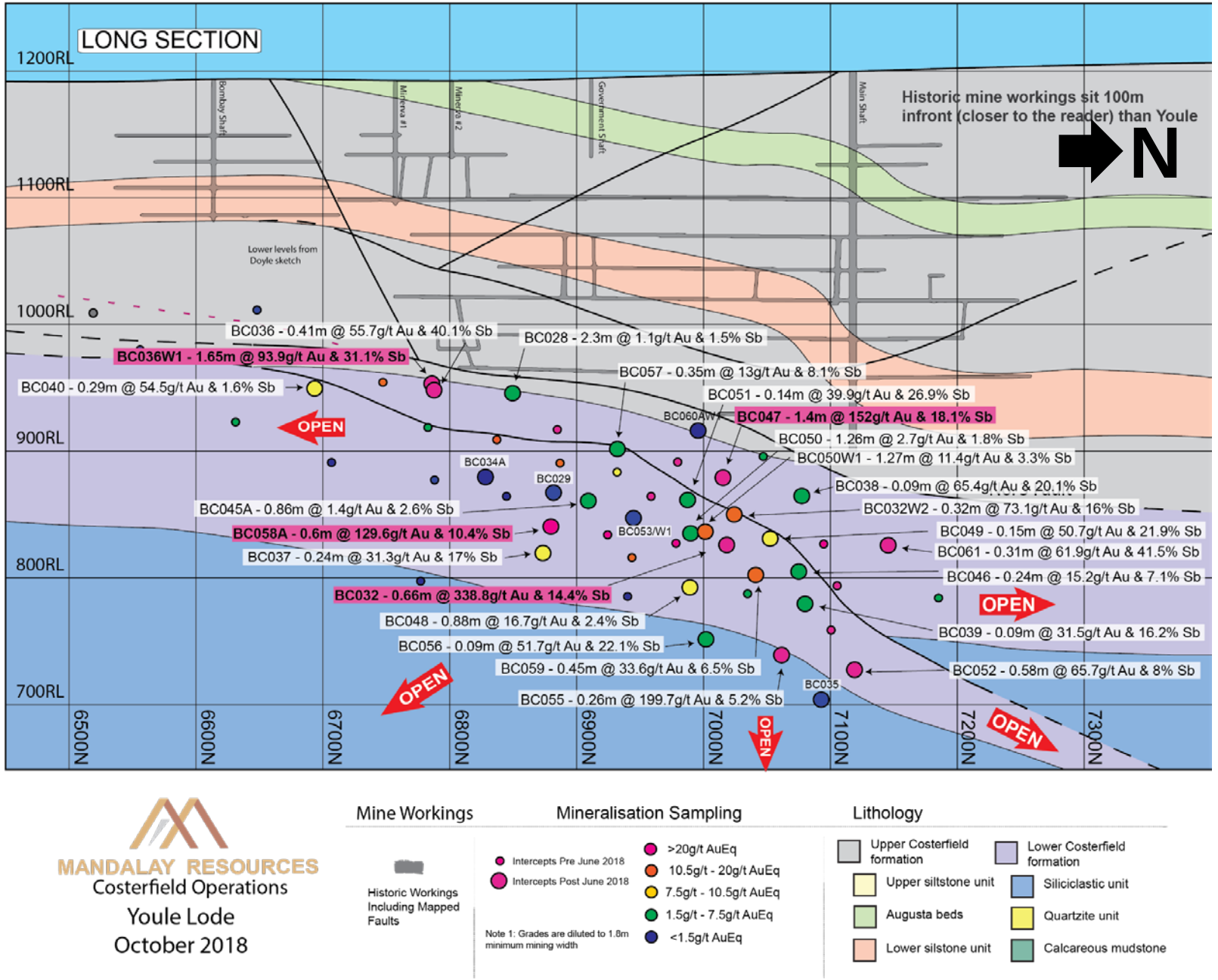


Possible metamorphic fluid source from the base of the Lower Paleozoic Melbourne zone sediments

Above Right: Modified from Wilson *et al.* 2017

A bright future

- 600m strike x 200m dip
- Multiple high grade intercepts over 50 Au g/t over 1.8m mining width

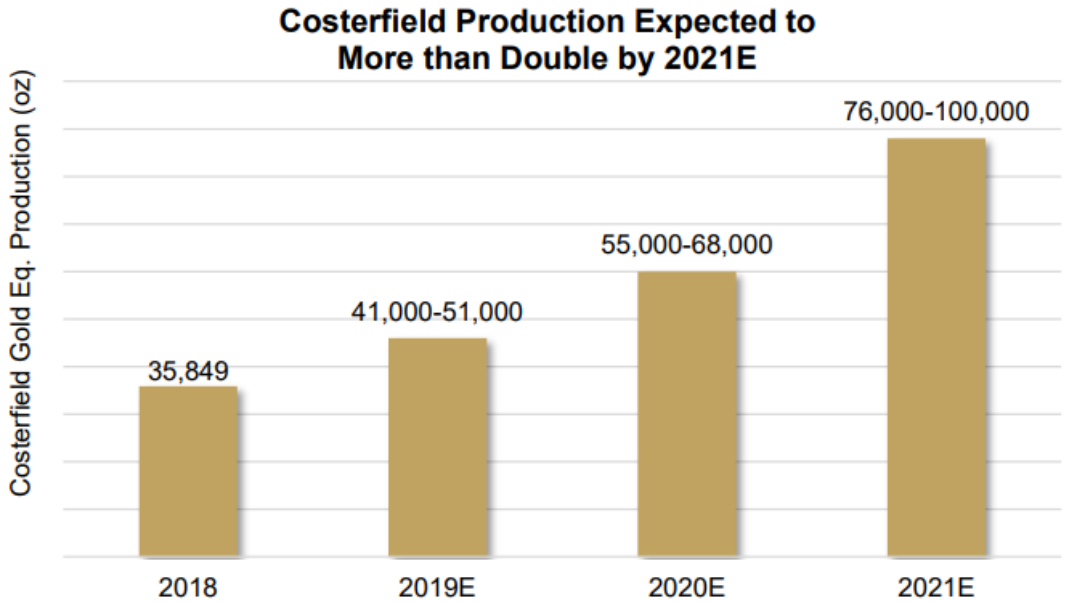


Costerfield: Major Production Increases Planned

Land package	1,293 hectares
Ownership	100%
P&P Reserves(1)	537,000 t @ 10.4 g/t Au; 3.2% Sb for 180,000 oz Au and 17,200 t Sb
2018 Production	35,849 oz Au Eq. (21,610 oz Au, 2,173 t Sb)
2019E Production	41,000-51,000 oz Au Eq. (23,000 – 30,000 oz Au, 2,600 – 3,100 t Sb)

Keys to 2019:

- Development and production from Youle top priority (production expected Q4 2019)
- Increased interest in Victorian gold mining due to recent exploration discoveries
- Exploration to incorporate several highly prospective targets



(1) Source: SRK Consulting (Australia), Effective December 1, 2018, documented in an independent NI 43-101 Technical Report filed February 6, 2019

MANDALAY RESOURCES

the COSTERFIELD RIDDLE...

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