



Notice of an Application for an Exploration Licence – EL008320

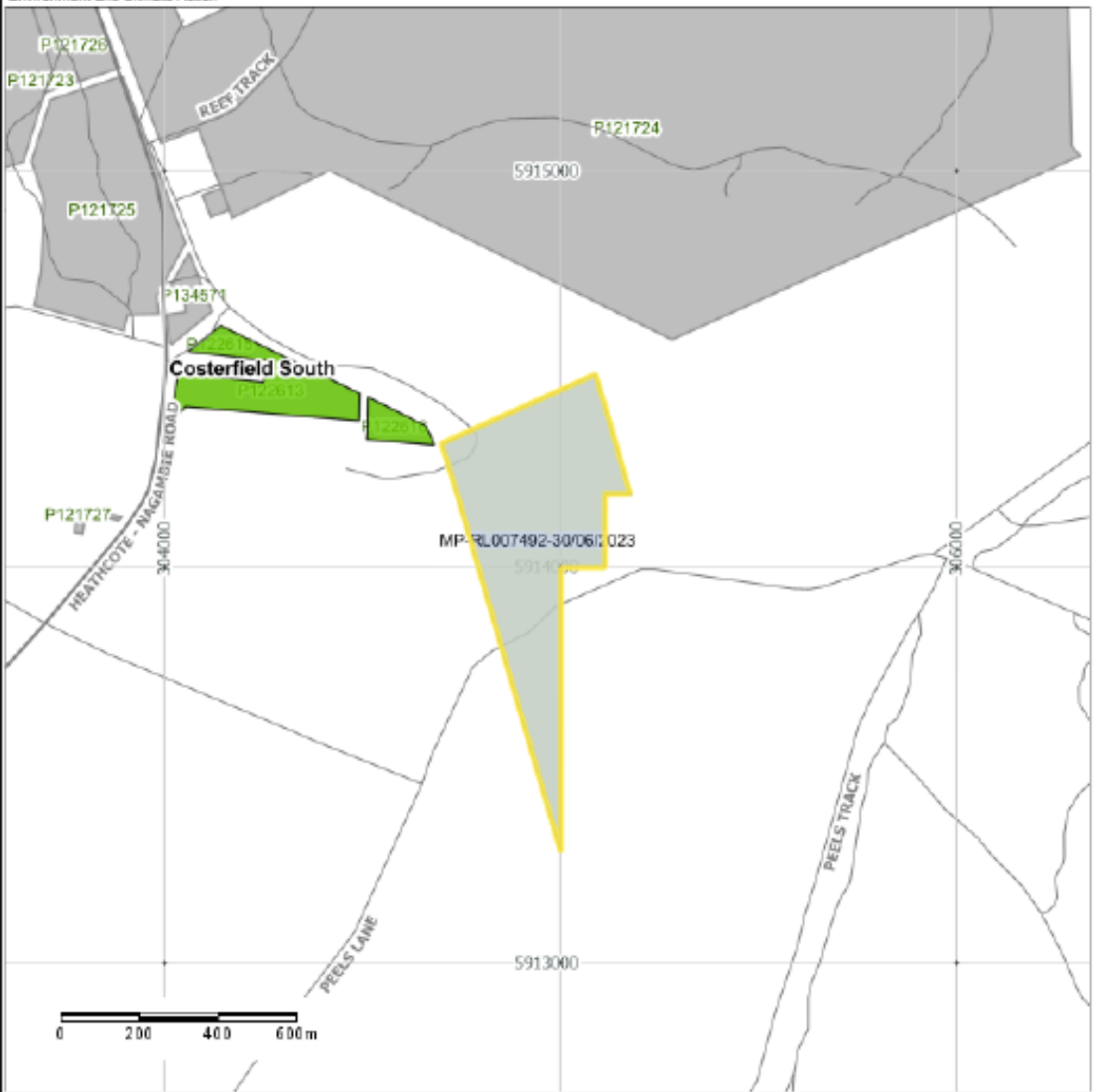
On 30 June 2023, Mandalay Resources Costerfield Operations Pty Ltd (“Mandalay”), lodged an Exploration Licence Application (‘EL008320’) on land formally held on RLA7492 and EL3310.

On the 17th of September 2020, EL3310 expired and Retention Licence application, RLA7492, of 23.3 Ha was lodged in order to retain the licence area of EL3310, as indicated on the map below (figure 1.). RLA7492 application was subsequently withdrawn on 30th June 2023 and a new EL008320 application was placed on 5th July 2023.

The area under application, is centred approximately 60km north from Melbourne, 15kms from Heathcote and centred around the small township of Costerfield.

Mandalay Resources prides itself in a successful underground mining operation since 2006. The company has very much focused on establishing itself as an economic producer with the existing Augusta/Cuffley/Brunswick and Youle/Shepherd deposits. The strategy for the company to date, has involved channelling expenditure into expansion of near mine targets close to existing infrastructure.

Regional exploration has led to the discovery of the Youle and Shepherd Lodes; which is now the primary ore source mined by Mandalay. The company is currently carrying out extensional and resource drilling on the Youle deposit, to extend the ‘life of mine’ (LOM). The company is very much focused on extending the LOM beyond the current mining schedule. To ensure a ‘future ore’ approach, the company is consequently applying for EL008320 to potentially extend the current mining operation to the south and embark a more regional approach to exploration to the South of the existing operations in an area of known mineralisation.



Legend

1 Km Graticules (GDA94 - Commences 1/7)

Towns (25K)

Map Scale: 1:15,000
Projection: MGA94 55

Disclaimer: This map is a snapshot generated from Victoria Government data. This material may be of assistance to you but the State of Victoria does not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for error, loss or damage which may arise from reliance upon it. All persons accessing this information should make appropriate enquiries to assess the currency of the data.



Figure 1. EL00832 Location Plan

CEO or Company Representative Statement

The company acknowledges the environmental, cultural and economic values of the Retention Licence area and will respect the rights held by Traditional Owners, private and public landowners. The company is committed to engaging with the community, listening to community concerns and responding appropriately to community feedback; and seeks to be recognised as a valuable contributor to the community.

Mandalay has a deep understanding of the importance of engaging with the community, listening to community concerns and responding appropriately to community feedback and seeks for communities to value our presence.

Community Engagement

Mandalay Resources strives to improve company policy by investigating or creating best engagement practices. Mandalay Resources was the first company to form a “Community Reference Sub-Committee” (CRS) to work in conjunction with the “Environmental Review Committee” (ERC) to provide an avenue for better and more robust consultation with community members on exploration activities and mine operations. The CRS allows us to resolve issues or concerns before complaints are generated, and to assist Mandalay in their planning and decision making. The CRS have provided Mandalay with a letter, outlining their support and wishes for the company. Earth Resources regulators have acknowledged that the CRS represents best practice in community engagement and encourage other mining companies to form similar consultation groups.

The Mandalay Resources Community Engagement Plan aims to inform, consult, involve and collaborate with all stakeholders relevant to the project. It provides the framework for Mandalay operations personnel to understand the commitment of the company to building effective stakeholder relationships (employees, government, local communities, traditional owners, providers/contractors) and responding proactively and appropriately to relationship issues as they arise. The engagement process aims to provide a platform for information sharing, collaborative discussion, constructive input and meaningful feedback on project proposals and future operations.

We aim to achieve that every community member will have explicit knowledge and understanding of the project. Mandalay’s aim is to not just to inform the community of our activities but to involve and collaborate with our stakeholders to empower them to be involved in the decision making process.

Mandalay currently employ two full time staff, one a full time community advisor, who are fully trained in the AIP2 Community Engagement program.

Jobs and Economic Growth of the Region

Mandalay Resources operation in Costerfield is located 15km from the township of Heathcote and 60km from the regional city of Bendigo. It is our policy to purchase products from businesses local to the region. Mandalay Resources contributed \$35 million to the local community in 2022 through wages, local spend and sponsorship. Where possible we always purchase and source goods and services locally so that we can benefit the local communities. Any contracting work requirements on site are always provided to local community members, such as ground works, fencing, courier services as well as specialist technical services like mineral assay services or community leadership programs.

Our staff comprise 85% of people local to the Costerfield, Heathcote and Bendigo region. Mandalay offer continuing education opportunities for all staff. Mandalay Resources are an equal opportunity workplace.

Through operating in a small community for the past 13 years, Mandalay understands that the individual communities and townships have their own identities and are to be respected as much as larger cities like Bendigo or Echuca. Often these smaller towns and areas experience the negative impacts of mineral exploration like increased vehicle traffic, dust or noise, all while missing out on the financial benefits from the activities as goods and services are purchased from the larger regional centres. Mandalay ensures it treats these small communities respectfully and where possible spend money and offer opportunities within these towns.

Applications for sponsorship grants are received twice annually, contributing over \$25 000 to local community groups. Funds are made available to the local community to run community based learning programs. All of these opportunities contribute to the upskilling of the local community.

Proposed Program of Work – EL008320

Mandalay's principal exploration target is for quartz-gold-antimony lodes similar to those already mined at the Augusta and Costerfield Mines. The targeting strategies on the Exploration Licence that will be used primarily consist of field mapping, structural geological analysis of the area, geochemical analysis (soil sampling), and geophysics techniques, followed by diamond drilling over a proposed 5-year licence term.

The primary objective with these strategies is to identify the structural continuity of the existing resource at Augusta and geological character of the area.

