



## ANDY WELL OPERATIONS UPDATE

- **Underground development and mining progressing ahead of schedule**
- **Stoping of Wilber Lode commenced at end of September**
- **September gold production of 8,614 ounces exceeds forecast**
- **Exploration drilling programme ongoing at Andy Well**

**Doray Minerals Ltd (ASX: DRM, Doray)** is pleased to provide an update on operations at the Company's high-grade Andy Well Gold Project, in the northern Murchison region of Western Australia.

### **Safety**

No serious work-related injuries were experienced during construction of the processing plant and infrastructure or open pit mining since commencing work on site on 15 November 2012. Unfortunately, the project incurred its first Lost Time Injury on 8 September 2013 when a surface exploration diamond driller damaged his ankle while unscrewing a drill rod. A renewed focus on safety risk analysis has been instigated.

### **Underground Mining and Development**

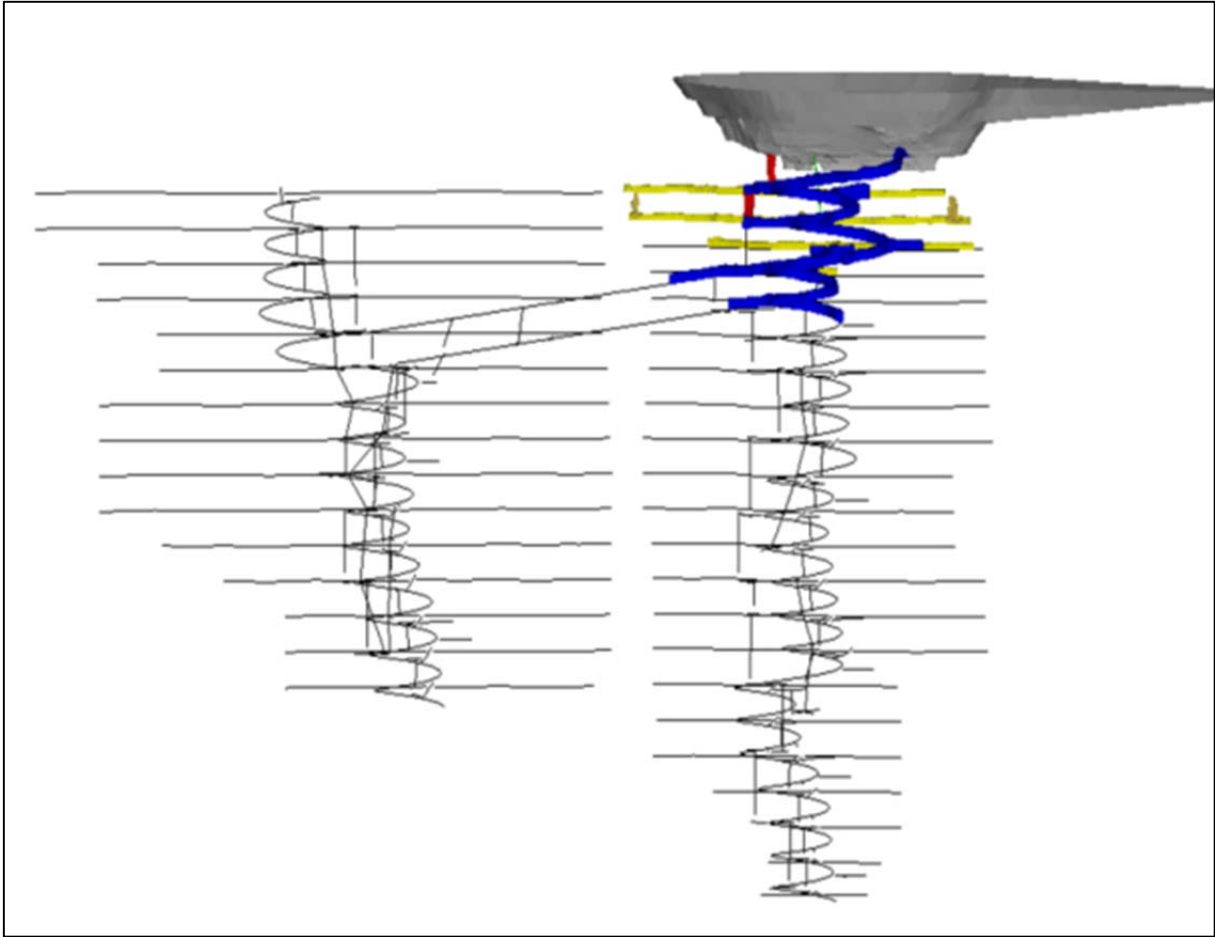
Underground development advanced with 549 metres completed during the month down to the 1350 level, approximately 130m below surface. A total of 1,887 metres has now been developed underground with development of horizontal ore drives completed on the 1415 and 1400 levels and commenced on the 1385 and 1370 levels.

Both of the access ramps from the northern decline to the southern part of the mine have commenced on the 1370 and 1355 levels.

Ventilation and escapeways were installed prior to the start of initial stoping between the 1400 and 1415 levels at the end of September. Stoping of the high-grade Wilber Lode had commenced at the northern end of the 1400 level ore drive by the end of September.

Progress developing the underground mine access and infrastructure continues ahead of schedule. During the first quarter of FY14, underground development advance exceeded the budget schedule by 22%.





**Figure 1.** Wilber Lode underground development progress as at of end of September 2013. (Decline and access ramps shown in blue, horizontal ore drives and initial stoping panels in yellow, return air rise in red).

### Processing and Gold Production

The processing plant was ramped up to a production rate of 25 tonnes per hour by 10 August 2013 using low grade material (<1g/t) blended with open pit ore and development ore from underground mining. This rate is in excess of the 20 tonnes per hour indicated by the original BFS. A total of 4,877 ounces was produced during August treating 15,569 tonnes at a head grade of 10.1g/t.

September therefore represents the first full month of processing high-grade ore from the Wilber Lode, from a blend of stockpiled open pit ore and underground development ore. A total of 19,822 tonnes of ore were processed at an average head grade of 13.99 g/t, producing a total of 8,614 ounces of gold. A further 215 ounces was added into GIC.

Gold recovery averaged 99.1% from assays using the on-site PAL (pulverising and leaching) machine for cyanide recoverable gold. This included approximately 68% recovered from the gravity circuit.

To date, the anticipated gold endowment from both open pit and underground sources has been extracted in line with reserves. The blend will be further supplemented with high-grade stoping ore from October onwards.



A total of 5,894 ounces of fine gold were sold during the month, with an average price received of A\$1541 per ounce, including 3,585 ounces which were delivered into the hedge book at A\$1620 per ounce.



**Figure 2.** Gold production from the last week of September – a combined 89.26kg (approx. 2,870oz) of doré from the gravity and leach circuits.

### Andy Well Exploration

Exploration drilling within the Andy Well project area continued during the month, testing for strike and depth extensions to the high-grade Judy Lode with a combination of RC and diamond drilling, and testing the “Suzie” Zone with RC drilling. Results are expected towards the end of October.

Further information regarding production and exploration will be included in the September Quarterly Report, which will be provided at the end of the month.

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**For further information, please contact:**

**Allan Kelly**  
 Managing Director  
 Doray Minerals Limited  
 +61 (08) 9226 0600  
[info@dorayminerals.com.au](mailto:info@dorayminerals.com.au)

**Anna Staples**  
 Director  
 AMN Corporate  
 +61 (0)4 00 205 433  
[anna@amncorporate.com](mailto:anna@amncorporate.com)



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## About Doray Minerals Limited

Doray Minerals Limited (**ASX: DRM**) is Australia's newest high-grade gold producer. The Company began mining its high-grade Wilber Lode deposit at the Andy Well Gold Project in the northern Murchison region of Western Australia (WA) in November 2012 and commenced gold production in August 2013, approximately 3.5 years after the initial discovery.

Doray has a strategic portfolio of gold exploration properties within WA and South Australia and each presents multiple discovery opportunities. The Company's Board and management team has expertise in discovery, development, and production.

## About the Andy Well Gold Project

Doray's 100%-owned Andy Well Gold Project is located approximately 45km north of Meekatharra, in Western Australia's northern Murchison region. In March 2010, Doray announced the discovery of the very high-grade Wilber Lode gold deposit, adjacent to the Great Northern Highway. Since announcing a maiden high-grade JORC-compliant gold Mineral Resource for the Wilber Lode in February 2011, the Company has announced subsequent increases to the Wilber Lode Resource in December 2011 and again in March 2012.

During 2012, Doray announced the maiden high-grade open pit and underground Mining Reserve for the project, completed a positive Bankable Feasibility Study, made a formal decision to mine, increased its ownership of the project to 100%, secured a project finance facility from the Commonwealth Bank of Australia, and completed a capital raising to fund all operating, exploration and corporate costs prior to first gold production. Mining and site works commenced in November 2012 with first gold production in August 2013, approximately 3.5 years after the initial discovery.

In March 2013, Doray announced a maiden high-grade JORC-compliant gold Mineral Resource for the Judy Lode, a second high-grade gold deposit within the project, increasing the overall Andy Well Project resource inventory by 30%.

