

WA comes to the fore as Integra and Doray hit the heights

There is a freshness surrounding this year's Gold Mining Journal awards, with both the Miner of the Year and Explorer of the Year gaining their respective titles for the first time.

And, after several years of winners with an international flavour, both awards have been handed to companies with operations in the Australian gold heartland of Western Australia.

Integra Mining Ltd takes the Miner of the Year award thanks to an almost trouble-free start-up at its Randalls gold mine, 120km east of Kalgoorlie. Production started at the project in September 2010 and since then Integra has managed to perform to and above expectations, meeting guidance and even finding time to plan, design and undertake an expansion on the 1 mtpa mill.

Not bad for a company whose plans to start production from a seemingly tired part of the Eastern Goldfields were met with some amount of scepticism just five years ago. Since that time,

Integra has successfully built an inventory of 2.5 moz, including the virgin discoveries of Salt Creek and Majestic, which were impressive enough to see the company place among the top four in three successive Explorer of the Year polls.

That will give it production of 90,000oz in its first full year of operation but the company's ever forward-thinking management team now has its eye on the 150,000 ozpa mark as it brings further mines into production.

On the operational side of the equation it is easy to see why the company attracted the attention of judges. Operating in that notoriously difficult period for junior miners – the ramp-up stage – the company has performed exceptionally. It produced 22,463oz in the September quarter and was on track to hit its 25,000oz guidance target for the December quarter as **Gold Mining Journal** went to print. And, with the spot price of gold sky high, the company's cash cost forecast of \$550/oz (a mark it may well beat) translates into healthy margins including a \$19 million profit from operations in the September quarter.

Among the judges to vote for

Integra as top miner was Canaccord BGF executive chairman Warwick Grigor, who said the successful commissioning of Randalls had been an impressive achievement by a strong management team.

Another judge, a well-respected resources journalist who declined to be named, said the company had stood out due to its delivery.

"Integra has hit every target it has set, which is no small feat for a junior gold miner. Also, the company has been able to expand the plant and carry on its exploration success without missing a beat. It is a standout amongst a very good crop of new Australian miners."

Speaking to **Gold Mining Journal** from London, where he was about to give an investor presentation, managing director Chris Cairns said the award was a tribute to the hard work the Integra team had put in.

"I am thrilled that Integra has won this award and I'm particularly thrilled for the guys on site. They have put so much hard work in and have been responsible for allowing the company to achieve what it has."

While the Miner of the Year

award went to a company that has successfully made the jump from explorer to miner in two years, this year's Explorer of the Year also has a bright element to it, with judges widely impressed by Doray Minerals Ltd's rapid progress on its Andy Well project near Meekatharra at the northern end of the WA Goldfields.

Doray, led by Allan Kelly, only listed on the ASX in February 2010 but its progress has been meteoric, culminating in December with a resource of 691,000t @ 14.8 g/t for 329,000oz gold from the Wilber Lode at Andy Well, taking the global resource to 806,000t @ 12.8 g/t for a total of 332,000oz.

Pursuit Capital's Andrew Rowell's comments reflected those of many of the judges.

"It has been an amazing success story since listing, with the Andy Well project throwing off fantastic high-grade intercepts. The key for management will be progressing the project through the various studies to production without being picked off by the likes of Ramelius (Resources Ltd)," Rowell said.

Gold Mining Journal senior journalist Mark Andrews summed up Doray's impact.

MINER OF THE YEAR

The Top 6

Integra Mining	26
Regis Resources	24
Perseus Mining	14
Evolution Mining	14
Northern Star	11
AlacerGold	11

Others to poll

Barrick
Adamus Resources
Troy Resources
Silver Lake
Saracen
Newcrest
Ramelius
Norton Goldfields
Kingrose
Gold One
Focus Minerals
Resolute Mining
Newmont
Medusa Mining
CGA Mining
Apex



Integra Mining has won the 2011 Miner of the Year award on the back of its performance at its Salt Creek open pit, part of the Randalls gold operation



Doray's development at Andy Well has been rapid

"Doray was one of the ASX's hottest gold stocks in 2010 on the back of its Andy Well project in the Murchison. It has continued to produce high-grade drill results almost unrivalled by any other in Australia."

The success has seen Doray's shares hit a 52-week high of \$1.65, after falling as low as 62c during the year.

Kelly told **Gold Mining Journal** the speed with which Doray had built its project was testament to the quality team assembled.

"It is a credit to our exploration and development teams, headed up by technical director Heath Hellewell and Mark Cossom respectively," Kelly said. "We have the opportunity to go from listing and discovery to production in just on three years. If we can achieve this, it will be a remarkable result for shareholders, but it is also just the beginning of the story."

Just as in 2010, the race for both awards was a tight one. Integra edged out another newcomer to the producer ranks, Regis Resources Ltd, which has found great support in bringing its Moolart Well mine, part of its Duketon project near Laverton, into production.

Managing director Mark Clark, chairman Nick Giorgetta and chief operating officer Morgan Hart are well known in gold circles for their work in creating the international success that was Equigold NL and they appear to have repeated the trick again.

Since production started a month ahead of Integra in August 2010, Regis has produced 107,000oz. This has been

largely thanks to a plant that is humming at 25% above design capacity. The company's guidance for the 2012 financial year is 95-105,000oz of production at \$US540-590/oz cash costs. However, with development of its Garden Well project on track, the company expects to be producing north of 350,000 ozpa by 2013.

Among the judges impressed by Regis' production performance was Highgrade.net editor Michael Quinn, who commented:

"The domestic Australian gold industry has hardly set the market alight over the past year despite the sensational gold price, and Regis is one of the few standouts. Since their opportunistic arrival on the Regis scene back in March 2009, the development and operating performance at the Duketon project by the old Equigold team led by Messrs Clark, Giorgetta and Hart has been exemplary, with the icing on the cake (or should that be the crème de la crème!) being the discovery of Garden Well."

NewGenGold conference organiser Keith Yates also plumed for Regis.

"The maiden resource of 1.21 moz was announced on October 8, 2010, less than one year after its discovery, construction of a new 4 mtpa gold plant commenced in August 2011 and the first gold production is expected in the September 2012 quarter," Yates said. "It is anticipated that the rapid conversion of Garden Well from discovery to production is a game changer which will, when coupled with the production from nearby Moolart Well which commenced in Au-

gust 2010, transform Regis from an explorer to around a 350,000 ozpa competitive cost producer within the short space of three years.

"The result will be its elevation to second position behind Newcrest amongst Australian listed gold producers. In addition the company has Rosemont waiting in the wings with a range of development options."

What makes Regis' achievements even more remarkable is that the company also placed second in the Explorer of the Year category, the double being a first in the 12 year history of the awards.

Undoubtedly, judges had been paying attention not only to the company's production performance but also the success it has had through its Garden Well discovery.

Emmerson Resources Ltd managing director Rob Bills said the Garden Well deposit was an impressive asset.

"They have done an excellent job in exploration finding new mines under the expertise of Jens Balkau. This will be a very low-cost operation and pump out the cash."

Yates agreed.

"Production in the first year is expected to be in the order of 250,000oz making Garden Well arguably the best greenfields gold discovery in Australia since Tropicana over seven years ago. Demonstrative of the quality of the Garden Well deposit is the capital payback period which is projected to be only seven months.

"To progress from discovery drill hole to production in less

Explorer of the Year

The Top 5

Doray Minerals	25
Regis Resources	23
Gryphon Minerals	22
Ampella Mining	17
Gold Road	15

Others to poll

Ausgold
Middle Island
ABM
Newcrest
Azimuth
Manas Resources
Emmerson
Intrepid Mines
Chesser Resources
PanTerra
Castle Minerals
Silver Lake
Alacer
AngloGold
Avanco
Mutiny Gold
Tawana
Westgold
Mungana
Beadell

than three years from a mine of this size will prove an extraordinary feat in this day and age."

Discovered 20km north of Moolart Well in 2008, Garden Well has grown rapidly into one of Australia's most impressive recent discoveries. The resource of 49mt @ 1.36 g/t gold for 2.13 moz and reserves of 35.3mt @ 1.46 g/t gold for 1.66 moz appear enough to support a 4 mtpa operation.

Looking at the list of winners and runners-up there is a sense of a renaissance in Australian gold circles. In the 2010 Explorer category, the top five list was dominated by overseas-focused companies. This year, three of the top five made discoveries in WA. While the West Africa-focused companies such as Perseus Mining Ltd, Adamus Resources Ltd and the last two winners of the Explorer of the Year award – Ampella Mining Ltd and Gryphon Minerals Ltd – had their supporters, there is a sense that the much maligned Australian junior gold sector is still capable of turning up exciting deposits and robust operations.

– Dominic Piper