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Company bullish on its WA holdings

Ongoing drilling at its 80%-owned Andy Well project in Western Australia has given Doray Minerals Ltd the confidence it may have discovered a second high grade zone south of its existing Wilber Lode gold deposit.

Located 45 kilometres north of the WA mining town of Meekatharra, Andy Well sits within the broader Meekatharra North project, where Doray previously highlighted a number of significant historical drill intersections that had the potential to lead to a shallow, high grade yellow metal find.

A substantial drilling campaign has now been designed to outline a significant resource both at Wilber and the wider Andy Well area, while a possible satellite mining operation is on the cards in a few years' time if all goes according to plan.

The current AC program at Andy Well is looking to test the various target zones for mineralisation additional to the Wilber Lode, for which a maiden JORC resource is expected late in February.

Results so far have confirmed the continuation of the highly prospective Wilber Shear Zone for at least 1.5 km south of the Wilber Lode. A new 400 metre long, north-south trending zone of high grade mineralisation hosted within a quartz lode in sheared basalt has been highlighted and appears visibly similar to Wilber.

"We have got two rigs going at the moment, with one aircore rig being situated at Andy Well that is basically continuing to work through the various other target zones at the project," Doray's managing director Alan Kelly explained.

"So we are not actually doing any drilling at Wilber at the moment.

"Instead we are just finalising the first

resource for that.

"We have also got an RC rig drilling down at Webbs Patch, and we are expecting to drill out a resource there in the near future as well."

Prospective land

If anything, Kelly remained very bullish about the idea of finding additional targets within Andy Well.

"The results we have received from the aircore drilling program confirm our belief that we have only just scratched the surface of the potential endowment of Andy Well," he said.

"In particular, the mineralisation observed within the new zone south of Wilber appears to be of similar grade and style to the original Wilbur Lode discovery. However, further drilling will be undertaken to confirm this."

Some of the impressive results received from the new zone include 4m at 3.32 grams/tonne from 24-28m (4m composite), 1m at 4.99 g/t from 5-6m, 5m at 8.92 g/t from 13-18m (with 1m at 43.4 g/t) and 2m at 18.7g/t from 35-37m.

"We will continue to test a number of the other parallel target zones, along with extensions to the Wilber Lode during the current quarter, with the ultimate aim of defining a global resource at Andy Well that justifies onsite treatment infrastructure," Kelly said.

The foundations of the aggressive exploration plans that have been put in place were formed back in December when Doray received a significant boost to its bank balance through an oversubscribed capital raising totalling \$21 million.

"The placement gave us the working capital and shareholder backing to get on with the job of developing Doray into a



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Visible gold can be seen in some of the diamond drill core from the Wilber lode.

significant WA gold explorer and producer by uncovering the potential of our current assets," Kelly explained.

"We spent about \$1.5 million last quarter, and we will be spending at least that again this quarter. That \$21 million we raised before Christmas has been great because we have a development schedule for Andy Well which contains the preliminary mining work and the environmental work and metallurgy studies ... we have budgeted about \$10 million for that over the next 12-18 months."

Self sufficient

And, having raised the impressive \$21 million, the aspiring miner doesn't look like it will have to return to the market anytime soon to collect further cash until the construction phase begins at Andy Well.

"We have given ourselves a target of December 2012 to get into production, so there is a lot of development work to be completed between now and then," Kelly added.

Sam Burns