

# Detour Gold Reports Third Quarter Financial Results

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TORONTO, ONTARIO--(Marketwired - Nov 7, 2013) - [Detour Gold Corp. \(TSX:DGC\)](#) ("Detour Gold" or the "Company") reports its financial results for the third quarter ended September 30, 2013. All amounts are in U.S. dollars unless otherwise stated.

The Company will host a conference call and webcast tomorrow at 10:00 a.m. Eastern Time (details below). This press release should be read in conjunction with Detour Gold's interim consolidated Financial Statements for the three and nine month periods ended September 30, 2013 and September 30, 2012 and related Management's Discussion and Analysis (MD&A), which can be found on the Company's website [www.detourgold.com](http://www.detourgold.com) under the Investor Centre section or on SEDAR [www.sedar.com](http://www.sedar.com).

## Q3 2013 Highlights

- Commercial production at Detour Lake declared on September 1
- Gold production of 75,672 ounces (80,765 ounces poured)<sup>1</sup> for the quarter
- Gold sales of \$33.1 million in September (first month of commercial production) at an average realized price of \$1,340 per ounce<sup>2</sup>
- Total cash costs of \$1,214 per gold ounce<sup>2</sup> and average realized margin<sup>2</sup> of \$126 per ounce
- Net loss of \$11.8 million or \$0.09 per share
- Cash and short-term investment balance of \$156.0 million at end of quarter

<sup>1</sup> Includes 24,021 of commercial production gold ounces produced at Detour Lake.

<sup>2</sup> Refer to the section on Non-IFRS Financial Performance Measures at end of the press release. Reconciliation of these measures is described in the MD&A on page 10.

## Subsequent to Quarter-End

- Litigation with North America Construction (1993) Ltd. settled for Cdn\$24.3 million
- October gold production of 29,541 ounces

Gerald Panneton, President and CEO commented, "We continue to make good progress on the ramp-up of the Detour Lake mine, having declared commercial production on September 1. We have demonstrated the viability of the design as throughput rates continue to improve towards +50,000 tonnes per day. Our cost performance for the first month of commercial production was in-line with our projections as we are still in the ramp-up period. Improvements in unit costs are expected from quarter to quarter as our on-going efforts to optimize the operation succeed. It has been challenging to provide production guidance during a ramp-up year as there are so many factors that come into play. Even though throughput rates and recoveries are improving and we have started to mine higher grades from Domain #2, we do not anticipate to substantially increase the mill feed to levels that would have permitted us to reach our prior guidance of 270,000 ounces. We have lowered the 2013 production guidance to 240,000 to 260,000 ounces of gold."

## Q3 2013 Selected Operational and Financial Information

	Q3 Commissioning & Commercial Production Period	Q2 Commissioning Period	Q1 Commissioning Period	Q1-2013 Commissioning Period
Operational Results				
Ore mined (000's t)	4,161	2,708	1,287	8,156
Waste mined (000's t) (includes overburden)	12,420	9,956	9,123	31,499
Total mined (000's t)	16,581	12,664	10,410	39,655

Waste-to-ore ratio	3.0	3.7	7.1	3
Tonnes milled (000's t)	3,877	2,868	1,022	7,7
Head grade (g/t)	0.72	0.76	0.64	0.
Recovery (%)	85 %	82 %	80 %	
Gold ounces produced	75,672	57,897	16,841	150,4
Gold ounces sold <sup>1</sup>	75,600	37,870	4,052	117,5
Selected Financial Results				
Metal sales <sup>2</sup> (\$ 000's)	33,088	-	-	33,0
Production costs (\$ 000's)	30,363	-	-	30,3
Net earnings (loss) (\$ 000's)	(11,846 )	23,097	23,413	34,6
Total cash costs per gold oz <sup>3,4</sup> (\$/oz)	1,214	-	-	1,2
Average realized price <sup>3</sup> (\$/oz)	1,340	-	-	1,3
Average realized margin <sup>3</sup> (\$/oz)	126	-	-	1

During the third quarter of 2013, revenues were \$100.5 million from gold sales of 75,600 ounces. With commercial production at Detour Lake mine declared on September 1, \$67.4 million was credited against capitalized project costs.

During the commercial production period (30 days in September), total cash costs per ounce of gold<sup>3</sup> sold were \$1,214. Cash operating costs per tonne<sup>5</sup> averaged Cdn\$22.48/t milled: mining costs of Cdn\$2.39/t mined; processing costs of Cdn\$11.38/t milled; and G&A of Cdn\$2.98/t.

At this stage of the ramp-up of the Detour Lake mine, these costs are reasonable as the operation has not yet reached throughput design capacity of 55,000 tpd. Operating costs are expected to gradually decrease as the Company continues to improve the efficiency of the operation.

Cash and cash equivalents were \$156 million at September 30, 2013. The Company has completed Cdn\$136 million of its Cdn\$192 million capital spending on mine development and sustaining expenditures for 2013.

<sup>1</sup> Gold ounces sold exclude 2% royalty paid in-kind. During the three and nine months ended September 30, 2013, the Company accrued or paid in-kind 1,600 and 2,631 ounces of gold.

<sup>2</sup> All sales prior to commercial production (September 1, 2013) were credited against capitalized project costs.

<sup>3</sup> Refer to the section on Non-IFRS Financial Performance Measures at end of the press release. Reconciliation of these measures is described in the MD&A on page 10.

<sup>4</sup> Total cash costs are calculated on post-commercial ounces sold only (24,700 ounces).

<sup>5</sup> These costs are furnished to provide additional information and will not reconcile to production costs mentioned in the Income Statement (and the table above).

### Detour Lake Mine - October Preliminary Operational Results and Update

During the month of October, 29,541 ounces of gold were produced (32,043 ounces poured). The mill processed a total of 1.4 million tonnes (Mt) of ore at an average grade of 0.72 g/t. Metallurgical recoveries averaged 91.6%, higher than projected levels in the feasibility study.

Throughput rates continued to improve and averaged 45,000 tpd during the month, with 15 days above 50,000 tpd. Mill availability reached 83% during the month.

Mining rates averaged 205,000 tpd in October. Mining of the higher grade Domain #2 started this week and

is expected to represent approximately 20% of the total feed for the fourth quarter.

On October 18, 2013, the Company and North America Construction (1993) Ltd. (NAC) settled the litigation that had been ongoing since 2012 for Cdn\$24.3 million (Cdn\$19.3 million of which has been paid with future payments of Cdn\$2.5 million payable on each of June 30, 2014 and June 30, 2015). The Company had accrued Cdn\$21 million for the NAC claims. It is anticipated that the liens (Cdn\$66.5 million, including HST) registered by NAC will be removed from title in November 2013.

### **Updated Outlook**

The Company continues to anticipate that the fourth quarter of 2013 will be the highest production quarter of the year. The Company does not believe that it will attain its prior 2013 guidance production target of approximately 270,000 ounces and now expects production of between 240,000 and 260,000 ounces of gold. Total cash costs for the commercial production period (September 1 to year-end) are expected to remain within the Company's previously stated guidance of \$1,100 per ounce.

In 2014, the Company will continue to optimize the operation to reach nameplate capacity of 55,000 tpd by year-end. Preparation of the 2014 budget is well underway. Preliminary numbers indicate 2014 production of between 440,000 and 500,000 ounces of gold at all-in sustaining costs of \$1,150 to \$1,250 per ounce. The Company will provide 2014 guidance (including projected costs, production, grades and other parameters) in January 2014.

In the first quarter of 2014, the Company also plans to report an updated mine plan for Detour Lake, which will include year-end 2013 mineral reserves and resources. The mineral reserves will be estimated at a gold price of US\$1,000 per ounce using a cut-off grade of 0.5 g/t gold (unchanged from prior estimate). The decision to proceed with an expansion of the processing plant (55,000 to 61,000 tpd) is expected to be taken at year-end 2014.

### **Reminder of Q3 Conference Call and Webcast**

Detour Gold's management will hold a conference call and live webcast today at 10:00 a.m. EST to review the financial results. To join the call:

- By phone toll free in Canada and the United states **1-866-225-0198**
- By phone International **416-340-2216**
- To listen online, go to [www.detourgold.com](http://www.detourgold.com) and click on the "Conference Call Audio Webcast" link on home page

The conference call will be recorded and playback of the call will be available after the event by dialing toll free in Canada and the United States 1-800-408-3053, or internationally 905-694-9451, pass code 7378413 (available up to November 22, 2013). The webcast will be archived on the Company's website.

### **Technical Information**

The scientific and technical content of this news release has been reviewed, verified and approved by Drew Anwyll, P.Eng., Director of Operations, a Qualified Person as defined by Canadian Securities Administrators National Instrument 43-101 "Standards of Disclosure for Mineral Projects".

### **About Detour Gold**

Detour Gold is an emerging mid-tier gold producer in Canada. The Company is ramping up its 100% owned Detour Lake mine to a long life, large scale open pit operation. The Detour Lake mine has proven and probable reserves of 15.6 million ounces of gold.

### **Non-IFRS Financial Performance Measures**

The Company has included certain non-IFRS measures in this press release, including "total cash cost per gold ounce" and "average realized price and average realized margin". The Company believes that these measures, in addition to conventional measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Refer to page 10 of the Company's MD&A for the nine months ended September 30, 2013 for a reconciliation of these measures.

### **Forward-Looking Information**

This press release contains certain forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements"). Specifically, this press release contains forward-looking statements regarding a decrease in operating costs as the efficiency of the operation is improved, mining of Domain #2 representing approximately 20% of the total feed for the fourth quarter, the removal of liens registered by NAC, the fourth quarter of 2013 being the highest production quarter of 2013, production of between 240,000 and 260,000 ounces of gold in 2013, total cash costs for the commercial production period (September 1 to year-end 2013) of \$1,100 per ounce, continued optimization of the operation to reach nameplate capacity of 55,000 tpd by year-end 2014, providing 2014 guidance in January 2014, reporting an updated mine plan for Detour Lake in the first quarter of 2014 and deciding whether to proceed with an expansion of the processing plant by year-end 2014.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which are beyond Detour Gold's ability to predict or control and may cause Detour Gold's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, gold price volatility, changes in debt and equity markets, the uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, interest rate and exchange rate fluctuations, general economic conditions and other risks involved in the gold exploration and development industry, as well as those risk factors discussed in the section entitled "Description of Business - Risk Factors" in Detour Gold's 2012 AIF and in the continuous disclosure documents filed by Detour Gold on and available on SEDAR at [www.sedar.com](http://www.sedar.com). Such forward-looking statements are also based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for exploration and development activities; operating and capital costs; the Company's ability to attract and retain skilled staff; the mine development schedule; sensitivity to metal prices and other sensitivities; the supply and demand for, and the level and volatility of the price of, gold; timing of the receipt of regulatory and governmental approvals for development projects and other operations; the supply and availability of consumables and services; the exchange rates of the Canadian dollar to the U.S. dollar; energy and fuel costs; the accuracy of reserve and resource estimates and the assumptions on which the reserve and resource estimates are based; market competition; ongoing relations with employees and impacted communities and general business and economic conditions. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date hereof, or such other date or dates specified in such statements. Detour Gold undertakes no obligation to update publicly or otherwise revise any forward-looking statements contained herein whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

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