

# Detour Gold Provides 2014 Guidance and Secures Long-Term Power Contract at Detour Lake Mine

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TORONTO, ONTARIO--(Marketwired - Jan 27, 2014) - [Detour Gold Corp. \(TSX:DGC\)](#) ("Detour Gold" or the "Company") today announces operational and financial guidance for 2014 for its Detour Lake mine located in northeastern Ontario. The Company is also pleased to report that it has been accepted into the Industrial Electricity Incentive Program for a 6-year fixed rate electricity contract at Cdn\$0.05/kWh with the Ontario Power Authority.

For 2014, the second year of operations, the Company is expected to produce between 450,000 and 500,000 ounces of gold at an estimated total cash cost of US\$800 to US\$900 per ounce of gold sold<sup>1</sup>. Total cash operating costs are positively impacted by the reduction in power costs, which is estimated at Cdn\$20 million for 2014 based on the average rate from 2013.

## 2014 Guidance

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Total gold production (oz)	450,000-500,000
H1 2014	200,000-225,000
H2 2014	250,000-275,000
Total cash costs (\$US/oz sold) (1)	\$800-900
Sustaining capital expenditures (US\$ millions) (2)	\$131
G&A (US\$ millions)	\$19
Exploration expenditures (US\$ millions)	\$3

The following price and cost assumptions were used to forecast 2014 production and costs: diesel fuel price of Cdn\$0.95 per litre; power cost of Cdn\$0.05 per kilowatt hour; and exchange rate of \$1US:\$1.05Cdn.

Paul Martin, Interim CEO commented, *"We remain optimistic on further improvement in operational performance of the Detour Lake mine as evidenced by the 2014 guidance. It is our second year of operations and we expect 2014 to serve as a stepping stone towards further production increases and cost reductions. We are also very pleased in an open market with fluctuating energy prices that Ontario has created a program for price stability and that the Ontario Power Authority has recognized the importance of the employment that Detour Gold has created in northeastern Ontario."*

The Detour Lake mine is forecast to process a total of approximately 19.0 million tonnes of ore for the year at an average grade of 0.87 g/t gold<sup>(3)</sup> with gold recovery of 92%, equivalent to approximately 490,000 ounces of gold. The waste to ore ratio is estimated to be 3.3:1. As the Detour Lake operation is in the final stages of the ramp up phase, the lower end of the production guidance is based primarily on limited improvement for throughput and mining rates during the year.

The 2014 operating plan indicates that the second half of the year gold production will be approximately 20% higher than the first half of the year as throughput rates are projected to gradually increase throughout the year (reaching design capacity of 55,000 tpd in the fourth quarter). It is estimated that the higher grade ore from Domain 2 and 11 will represent up to 50% of the overall mill feed.

Projected sustaining capital expenditures for 2014, including capitalized stripping, are estimated to be US\$131 million. Major expenditures relate to tailings dam raising and commencement of the base of the second tailings cell (US\$40 million), mining equipment purchases (US\$33 million), mill improvement (US\$18 million) and capitalized maintenance (US\$10 million). Capitalized stripping costs related to the development

of the open pit are expected to be US\$35 million in 2014. The anticipated timing of budgeted capital expenditures are expected to be higher in the first half of 2014 than in the second half, primarily as a result of the timing of mining equipment and mill improvement expenditures. The tailings dam expenditures are expected to be incurred primarily in the second and third quarters.

(1) Refer to the section on Non-IFRS Financial Performance Measures at end of the press release.

(2) Include deferred stripping of approximately US\$35 million.

(3) Includes 7% dilution at 0.20 g/t.

## Upcoming News Flow

The Company expects to announce the following updates in the first quarter of 2014:

- Life of mine plan and year-end 2013 mineral reserve/resource update for Detour Lake (early February)
- Fourth quarter and full-year 2013 financial results (early March)

## Technical Information

The scientific and technical content of this news release has been reviewed, verified and approved by Drew Anwyll, P.Eng., Vice President 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 that holds a 100% interest in the Detour Lake mine, a long life large scale open pit operation. The Detour Lake mine has proven and probable reserves of 15.6 million ounces of gold (2012 year-end statement).

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## Non-IFRS Financial Performance Measures

The Company has included a non-IFRS measure in this press release: "total cash cost per ounce of gold sold". The Company believes that this measure, 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.

Detour Gold reports total cash costs on a sales basis. Total cash costs per gold ounce include production costs such as mining, processing, refining and site administration, less non-cash share-based compensation and net of silver sales divided by gold ounces sold to arrive at total cash costs per gold ounce sold. Production costs are exclusive of depreciation and depletion. Production costs include the costs associated with providing the royalty in kind ounces. Other companies may calculate this measure differently.

## 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 production of between 450,000 and 500,000 ounces of gold in 2014 at an estimated total cash cost of US\$800 to US\$900 per ounce of gold sold, an estimated Cdn\$20 million in reduced power costs for 2014, processing of approximately 19.0 million tonnes of ore in 2014 at an average grade of 0.87 g/t gold with gold recovery of 92%, and estimated waste to ore ratio in 2014 of 3.3:1, production of approximately 20% higher in the second half of 2014 than in the first half of 2014, the gradual increase of throughput rates throughout 2014 (reaching design capacity of 55,000 tpd in the fourth quarter), an estimated 50% over the overall mill feed coming from the higher grade ore from Domain 2 and 11, sustaining

capital expenditures for 2014 of US\$131 million, capitalized stripping costs of US\$35 million in 2014, higher capital expenditures in the first half of 2014 than in the second half, incurring the majority of tailings dam expenditures in the second and third quarters of 2014, further improvement in operational performance of the Detour Lake mine, further production increases and cost reductions going forward, gold production of between 200,000 and 225,000 ounces in the first half of 2014 and 250,000 and 275,000 in the second half of 2014, G&A of US\$19 million and exploration expenditures of US\$3 million in 2014, an assumed price of Cdn\$0.90 per litre for diesel fuel and Cdn\$0.05 per kilowatt hour for power costs, an assumed exchange rate of \$1US:\$1.05Cdn, and an updated life of mine plan and year-end 2013 mineral reserve/resource for Detour Lake and fourth quarter and full-year 2013 financial results in the first quarter of 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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