

# Western Exploration Inc. Announces Positive PEA for the Doby George Resource at the Aura Project

08.05.2025 | [Newsfile](#)

[Western Exploration Inc.](#) (TSXV: WEX) (OTCQX: WEXPF) (the "Company" or "Western Exploration") is pleased to announce results from a positive Preliminary Economic Assessment ("PEA") on its flagship Doby George resource at the Aura gold project located in Nevada's prolific Elko county ("Doby George" or, the "Project").

## PEA Highlights:

- Base Case After-tax NPV of US\$70.7M and an IRR of 25.4% using a gold price of US\$2,150 increasing to US\$211.2 M with a 62.2% IRR utilizing a US\$3,000/oz gold price (see upside metal price to base case metal price comparison in Table 1)
- Total Life-of-Mine ("LOM") after-tax net cash flow of US\$271.2M over a five-year project life using US\$3,000 gold price
- Average annual operating cash flow of \$112.1M and a less than 18-month payback period using US\$3,000 gold price
- LOM all-in Sustaining cost of US\$1,197 per ounce at US\$3,000 gold price and US\$1,152 per ounce at the base case of gold price being US\$2,150
- LOM average grade of 1.01 g/t Au creating potential for significant profit margins
- Estimated pre-production capital costs of US\$115.2M excluding upfront Working Capital of US\$12.4M which is credited back to the operation on year five

Watch the CEO news summary [HERE](#)

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Darcy Marud, President and CEO of Western Exploration, commented: "In 2022, Western Exploration outlined a plan to take the Doby George project to a PFS study. With the completion of the PEA we have achieved another milestone towards that goal. The PEA demonstrates Doby George to be a low-capex, potentially profitable development project with a rapid payback, all using conservative gold price expectations."

Mr. Marud added "The focus of the current PEA was to demonstrate the viability of Doby George, while outlining a project scope that maximizes the return on investment for our stakeholders. We focused on maximizing value by preserving grade, bringing ounces forward, minimizing capital outlay and identifying future opportunities to further enhance the project. Those opportunities include an exploration plan looking to expand the resource at Doby George, the feasibility of oxide resources at Wood Gulch and improvements to recovery through additional test work."

The PEA was completed by Kappes, Cassiday & Associates ("KCA") as lead independent consultant, and supported by RESPEC Company LLC ("RESPEC") on mineral resource estimation, mine planning and production scheduling, in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").<sup>1</sup> The Company intends to file the technical report in respect of the PEA (the

"Technical Report") on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under Western Exploration's issuer profile within 45 days of the date of this news release.

Figure 1: Location of the Doby George Resource, one of three key resources within our flagship Aura Project.

To view an enhanced version of this graphic, please visit:

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## Economic Sensitivities

Sensitivity of the project economics to gold prices is shown in Table 1, showing the base case gold price used for the PEA, as well as the upside case.

Table 1: Doby George 2025 PEA Economics

	Base Case	Upside Case
Gold Price (US\$/oz)	2,150	3,000
Average Annual Operating Cash Flow <sup>(1)</sup> (US\$)	63.3M	112.1M
Pre-Tax NCF <sup>(2)</sup> (US\$)	132.4M	336.5M
Pre-Tax NPV5 <sup>(3)</sup>	94.7M	265.9M
Pre-Tax IRR <sup>(4)</sup>	31.8%	75.7%
After-Tax NCF <sup>(2)</sup> (US\$)	103.7M	271.2M
After-Tax NPV5 <sup>(3)</sup> (US\$)	70.7M	211.2M
After-Tax IRR <sup>(4)</sup>	25.4%	62.2%
Payback Period <sup>(5)</sup> (years)	2.7	1.4

Notes:

(1) Averaged over full production years 1 to 4

(2) NCF means net cash flow

(3) NPV5 refers to net present value at 5% discount rate

(4) IRR means internal rate of return

(5) Pre-production capital, excluding sustaining capital

## Capital Costs

Capital costs for the Project are summarized in Table 2. Capital costs associated with the mining operation were estimated by RESPEC and based on contract mining. Pre-stripping costs were based on the mine production schedule in Table 4 below. Capital costs in processing, support and infrastructure include: three-stage crushing; heap leaching and gold recovery, along with support and infrastructure costs associated with laboratory, water & power distribution; and general site services were estimated by KCA. Reclamation and closure costs of US\$10M were estimated by KCA not including an estimated salvage value of US\$5.4M. Sustaining capital is estimated at US\$10.5M and is largely related to heap leach expansion contemplated in Year 2.

Table 2: Project Capital Costs

	Pre Production (US\$M)	LOM Sustaining (US\$M)
Mining	2.8	0.2
Pre Stripping	14.7	0
Processing, Support, and Infrastructure	78.5	10.3
Owners Costs	9.0	0
Indirect Costs	2.3	0
EPCM	7.9	0
Working Capital <sup>(1)</sup>	12.4	0
TOTAL <sup>(2)</sup>	127.6	10.5

#### Notes:

- (1) Working Capital is credited in Year 5
- (2) Values are rounded and may not sum perfectly

#### Operating Costs

Operating costs for the Project are summarized in Table 3. Mining operating costs were estimated by RESPEC and based on estimated anticipated equipment hours and personnel requirements at a 25% markup for contractor rates. The off-road red-dye diesel fuel price in this estimate was assumed to be US\$0.86/L. All other operating costs were estimated by KCA and based on first principles on certain components where possible, such as reagent and power consumption, along with benchmarking with similar operations for other components, such as labor, maintenance, and discretionary expenses.

Table 3: Project Operating Costs

	LOM Total (US\$ M)	Per Tonne Processed (US\$)
Mining	153.0	13.42
Processing	77.2	6.77
G&A	23.4	2.05
TOTAL	253.6	22.24

#### Mine Production Schedule

The PEA mine production schedule includes mining of leach material and waste from three pits, Daylight, Twilight and Westridge. Westridge is the largest pit and will be developed in 3 phases with production commencing in Year 1 and ramping up to full production in Year 3. Daylight and Twilight will be developed in Years 1 and 2, respectively. Leach material will be sent to a centralized crushing plant and then stacked on a leach pad. The waste material will be sent to designed waste rock storage facilities (WRSF) or used as partial backfill.

Pre-stripping at Daylight and Westridge is required to develop sufficient stockpiles to feed the crusher. The production schedule requires seven months of preproduction.

The process schedule was developed with full production from year 1 through year 4 to a full 2.7 million tonnes per year. Table 4 shows the mine production schedule.

Table 4: Mine Production Schedule\*

Year	Tonnes Ore Mined (kT)	Waste Tonnes Moved (kT)	Gold Grade (g/t)	Gold Contained (koz)	Gold Recovered (koz)
-1	179	2,659	0.64	4	
1	2,749	11,623	1.08	96	61
2	2,625	16,121	1.04	88	56
3	2,719	10,339	0.97	85	60
4	2,737	3,158	0.93	81	53
5	394	198	1.33	17	18
TOTAL	11,403	44,098	1.01	370	248

\*May not sum due to rounding

#### Mining and Processing

The mineralized material will be mined by standard open-pit mining methods using a contractor-owned and operated mining fleet consisting of 92-tonne haul trucks and 17-m3 loading units. Mineralized material would

be transported to the crushing circuit for processing then crushed material will be processed by conventional heap leaching methods. The nominal processing rate will be 2.7 million tonnes per annum or 7,500 tonnes per day. Three-stage crushing of the material to 12.7 mm, will be followed by conveyor stacking onto a multi-lift heap leach pad. Dilute sodium cyanide solution will be applied to the heap, with the pregnant gold bearing solution effluent from the heap being processed in a carbon adsorption-desorption recovery (ADR) plant. Gold will be produced in the form of doré bars from the on-site smelting process.

Table 5 below shows the key production parameters for the mine and processing units used in the generation of production and cash flow profiles.

Table 5: Mining and Processing Parameters

	LOM
Mining	
Total Waste Tonnes Mined (Mt)	44.1
Total Processed Tonnes Mined (Mt)	11.4
Total Tonnes Mined (Mt)	55.5
Heap Leach Gold Recovery Percentages	
Westridge Oxide	67%
Day Light Oxide	71%
Twilight Oxide	62%
Mixed	40%

#### Mineral Resource Estimation

The mineral resource estimate ("MRE") relating to the PEA was prepared in accordance with NI 43-101 using the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council. The effective date of the MRE, which has been prepared by RESPEC in accordance with NI 43-101, is January 27, 2025. The MRE is shown in Table 6 below.

Table 6: Doby George Mineral Resource Estimate at the Aura Project

2025 Doby George Mineral Resources <sup>(1)</sup>				
	Cutoff Au (g/t)	Tonnes	Au (g/t)	Au (oz.)
Indicated	0.17	13,662,000	0.90	394,000
Inferred	0.17	3,270,000	0.68	71,000

#### Notes:

1. The effective date of Doby George's MRE is January 27, 2025.
2. The project mineral resources comprise all model blocks at a cutoff grade of 0.17 g Au/tonne for all material within optimized pits.
3. The gold cut-off grade for Doby George Mineral Resources is based on a gold price of US\$2,150/oz, an average gold recovery of 66%, and cost assumptions including: US\$3.02/t cost for open-pit mining, US\$6.52/t processing cost, US\$1.89/t processed G&A cost, and US\$5.00/oz Au refining cost. An average royalty of 3% has also been applied to cutoff grade determination.
4. The estimate of mineral resources may be materially affected by geology, environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
5. There are no known factors related to metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, or political issues which could materially affect the mineral resource estimates contained in this news release.
6. Rounding as required by reporting guidelines may result in apparent discrepancies between tonnes, grade, and contained metal content.
7. Mineral resources are not mineral reserves and do not have demonstrated economic viability. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.

The Doby George MRE includes the West Ridge, Daylight, and Twilight deposits. RESPEC modeled the mineral resource estimate for gold as follows:

- Constraining gold mineral domains of low- and high-grade mineralization were modeled on 30 m-spaced vertical sections and transposed to long sections centered at 6 m mid-block locations. The Doby George geological model and other relevant geological data were used to guide the modeling of mineral domains.
- A block model with 6 m by 6 m by 6 m blocks was coded with the gold domains using the 6 m-spaced long section interpretations.
- Drill-hole assays were composited to 3 m length, honoring the mineralized gold domains.
- Gold grades were interpolated into the block model using gold mineral domains to explicitly constrain grade estimations. RESPEC utilized Inverse Distance Cubed (ID<sup>3</sup>) and Quadrupled (ID<sup>4</sup>) interpolations for the estimation, achieving a localizing effect in the high-grade domain, and applied ID<sup>3</sup> interpolation to the low-grade domain estimate. Individual domain grades were weight averaged to produce fully block-diluted reported mineral resources.

#### Technical Information and Qualified Persons

The PEA was completed by KCA of Reno, Nevada as lead independent consultant, and supported by RESPEC of Reno, Nevada on mineral resource estimation, mine planning and production scheduling, in accordance with NI 43-101.<sup>2</sup> The Company intends to file the Technical Report on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under Western Exploration's issuer profile within 45 days of the date of this news release.

The PEA is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. The Company has not defined any mineral reserves for the Doby George resource at the Aura Project. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

For readers to fully understand the information in this news release, reference should be made to the full text of the Technical Report, once filed, including all assumptions, qualifications and limitations therein. The Technical Report is intended to be read as a whole, and sections should not be read or relied upon out of context.

The PEA has been prepared by independent representatives of KCA and RESPEC, each of whom is a "qualified person" (within the meaning of NI 43-101) (each, a "qualified person") and independent of Western Exploration for purposes of Section 1.5 of NI 43-101. Each qualified person has reviewed and approved the scientific and technical disclosure in this news release in the respective sections of the PEA for which they are responsible. At the effective date of the PEA, each qualified person has certified that, to the best of their knowledge, information, and belief, the parts of the PEA for which they were responsible, contain all scientific and technical information required to be disclosed to make the PEA not misleading. The affiliation and areas of responsibility for each qualified person involved in preparing the PEA are provided below.

- Travis Manning, P.E. of KCA - processing design and costs, metallurgy, recovery and cash flow
- Mr. Michael S. Lindholm, C.P.G. of RESPEC - geology, data base and MRE
- Kyle Murphy, P.E. of RESPEC - open pit design, mine planning, scheduling and costing

#### About Western Exploration

Western Exploration is focused on advancing the 100% owned Aura Project, located approximately 120 kilometers/75 miles north of the city of Elko, Nevada. The Aura Project includes three unique gold and silver deposits: Doby George, Gravel Creek, and Wood Gulch. Western Exploration is comprised of an experienced team of precious metals experts that aim to lead the company to becoming North America's premiere gold and silver development company.

Additional information regarding Western Exploration can be found on Western Exploration's corporate website ([www.westernexploration.com](http://www.westernexploration.com)) on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under Western Exploration's issuer

profile.

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#### Cautionary Statements Regarding Estimates of Mineral Resources

This news release uses the terms measured, indicated, and inferred mineral resources as a relative measure of the level of confidence in the resource estimate. Readers are cautioned that mineral resources are not mineral reserves and that the economic viability of resources that are not mineral reserves has not been demonstrated. The mineral resource estimate disclosed in this news release may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards on Mineral Resources and Mineral Reserves" (CIM) incorporated by reference into NI 43-101. Under NI 43-101, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies or economic studies except for preliminary economic assessments. Readers are cautioned not to assume that further work on the stated resources will lead to mineral reserves that can be mined economically.

Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. On October 31, 2018, the SEC adopted new mining disclosure rules ("S-K 1300") that are more closely aligned with current industry and global regulatory practices and standards, including NI 43-101, although there are some differences in the two standards. Accordingly, information concerning mineral deposits contain in this release may not be comparable with information made public by U.S. companies that report in accordance with S-K 1300.

#### Cautionary Note Regarding Forward-Looking Information

This news release may contain "forward-looking information" and "forward-looking statements" within the meaning of the applicable Canadian and United States securities legislation (collectively, "forward-looking statements"). These forward-looking statements, by their nature, require the Company to make certain assumptions and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. Any statement that involves predictions, expectations, interpretations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always, using phrases such as "expects", or "does not expect", "is expected", "interpreted", "management's view", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "potential", "feasibility", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information. This news release contains the forward-looking information pertaining to, among other things: the results of the PEA being achieved; a Technical Report being filed within 45 days (if at all) supporting the results of the PEA described in this news release; the significance of the results of the PEA; the ability of exploration activities, including drilling, to accurately predict mineralization; management's expectations on the grade and extension of mineralization; the accuracy of results from prior exploration activities conducted at the Aura Project; the key assumptions, parameters and methods used to estimate the mineral resource estimate disclosed in this news release; the prospects, if any, of the Doby George, Wood Gulch and Gravel Creek mineral deposits; the potential profitability and/or viability of Doby George and the extent of the potential profitability of Doby George; the PEA production schedule; the capital and operating costs involved in the Project; the potential for expansion at Doby George; the feasibility of oxide resources at Wood Gulch; and improvements to recovery through additional test work. Such factors include, among others, risks relating to the ability of exploration activities (including drill results)

to accurately predict mineralization; errors in management's geological modelling; the ability of Western Exploration to complete further exploration activities, including drilling; the uncertain nature of exploration activities; property and royalty interests in respect of the Aura Project; the ability of the Company to obtain required approvals; the results of exploration activities; risks relating to mining activities; the global economic climate; metal prices; dilution; environmental risks; and community and non-governmental actions. Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, Western Exploration cannot assure shareholders and prospective purchasers of securities of the Company that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither Western Exploration nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking information. Western Exploration does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

For additional information with respect to these and other factors and assumptions underlying the forward-looking statements and forward-looking information made in this news release concerning Western Exploration, please refer to the continuous disclosure record of Western Exploration on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under Western Exploration's issuer profile. The forward-looking statements set forth herein concerning Western Exploration reflect management's expectations as at the date of this news release and are subject to change after such date. Western Exploration disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

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