



## NON-CASH ASSET IMPAIRMENT

**Doray Minerals Limited (ASX: DRM, "Doray", "the Company")** announces that a total impairment in the carrying value of the assets of the Company in the range of \$40 million to \$45 million is likely in the Consolidated Interim Financial Report for the period ended 31 December 2016. The total impairment charge is a non-cash item.

The impairment at Andy Well is a result of the reduced production levels and mine life in the current mine plan which extends to 30 June 2018. This mine plan is designed to coincide with the timing of the current Feasibility Study and potential development of the Gnaweeda Project. Gnaweeda has the potential to change the production profile at Andy Well and significantly extend the mine life of the operation.

The Company has undertaken several significant cost saving initiatives in the March Quarter and is extremely focused on reducing the cost base going forward at Andy Well. It will take time for these benefits to be realised so the Company still expects to report increased unit costs at Andy Well for the March Quarter and an operating loss at that operation for the full year ending 30 June 2017. The estimated impairment at Andy Well is expected to be in the range of \$20 million to \$22.5 million.

The impairment at Deflector is due to the rationalisation of the mine development asset (specifically that component which related to capitalised exploration expenditure) as part of the takeover of Mutiny Gold Ltd. The estimated impairment at Deflector is expected to be in the range of \$20 million to \$22.5 million.

All amounts are approximate and remain subject to completion of the half-year review for the period ended 31 December 2016.

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**For further information, please contact:**

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### **About Doray Minerals Limited**

Doray Minerals Limited is an Australian gold producer with two Western Australian gold projects: the Andy Well Gold Project, which commenced production in August 2013; and the Deflector Gold Project, which commenced production in May 2016.

Doray also has a strategic portfolio of gold exploration properties within Western Australia and South Australia. The Company's Board and management team has a proven track record in discovery, development, and production.