



Doray Minerals Ltd
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ABN: 48 138 978 631

27 February 2017

Ms Elizabeth Harris
Principal Advisor, Listings Compliance (Perth)
ASX Compliance Pty Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Dear Ms Harris,

Doray Minerals Limited
Response to ASX Query

I refer to your letter to Doray Minerals Limited ('Doray' or 'the Company') dated 23 February 2017 related to the Company's non-cash asset impairment announcement lodged before market open with the ASX on Wednesday 22 February 2017.

I note that the ASX has asked several questions in relation to the impairment announcement. The Company responds to each of the questions you have raised as follows:

Question 1. Yes.

Question 2. Not applicable.

Question 3. The Company completed its impairment modelling (including discussions with its auditors) on Tuesday 21 February 2017 after market close.

Question 4. The Company only became aware of the final impairment charge after market close on Tuesday 21 February 2017 once its auditors had completed their review of the model. The impairment announcement was released to the market pre-open on Wednesday 22 February 2017.

Question 5. The Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Question 6. The Company's responses to the questions above have been authorised and approved by the Board of the Company.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Leigh", written in a cursive style.

Leigh Junk
Managing Director
Doray Minerals Limited



23 February 2017

Mr Iain Garrett
Doray Minerals Limited
Level 1, 1292 Hay Street
West Perth WA 6005

By Email

Dear Mr Garrett

Doray Minerals Limited (the “Company”)

ASX Limited (“ASX”) refers to the following:

- A. The Company’s announcement titled “Non-cash asset impairment” lodged before market open with ASX on 22 February 2017 (“Announcement”) which stated as follows:

“Doray Minerals Limited 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 level and mine life in the current mine plan which extends to 30 June 2018.”

“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.”

- B. The change in the Company’s share price from an opening price of \$0.425 on 20 February 2017 to an intra day low on 22 February 2017 of \$0.33.
- C. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.

D. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

E. Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A.1 A reasonable person would not expect the information to be disclosed.

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.

3.1A.3 One or more of the following applies.

- It would be a breach of a law to disclose the information.*
- The information concerns an incomplete proposal or negotiation.*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
- The information is generated for the internal management purposes of the entity.*
- The information is a trade secret.”*

Questions for response

In light of the information contained in the Announcement, and referring to the listing rules above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A.

1. Does the Company consider the information in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Company first become aware of the information?

4. If the answer to question 1 is “yes” and the Company first became aware of the information before 22 February 2017, did the Company make any announcement prior to 22 February 2017 which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the information was released promptly and without delay.
5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **12:00 noon AWST on Monday 27 February 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3. Your response should be sent to me at Elizabeth.Harris@ASX.com.au. It should not be sent to the Market Announcements Office.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company’s response to the market. Accordingly, please prepare your response in a form suitable for release to the market.

If you have any queries regarding any of the above, please call me.

Yours sincerely,

[sent electronically without signature]

Elizabeth Harris
Principal Adviser, Listings Compliance (Perth)