

## **DORAY MINERALS COMPANY UPDATE AND DEFLECTOR FORECAST FOR FINANCIAL YEAR 2018**

**Doray Minerals Limited (“Doray” or “the Company”) (ASX:DRM)** is pleased to announce the following company update and production forecast for the Deflector Mine for the financial year ending 30 June 2018.

- **Deflector is scheduled to produce 60,000 - 65,000oz gold at an All In Sustaining Cost (AISC) of between A\$1,225 – A\$1,275/oz inclusive of by-product copper credits for FY 2018**
- **The second and final shipment of Gold Copper Middlings product has been sold and an initial payment of A\$4.55M received**
- **To date A\$15M has been received for the two Gold Copper Middlings shipments with final reconciliation on both shipments still to come**
- **Studies continue at Andy Well/Gnaweeda, including blending and toll treating options, eliminating the requirement for an upgrade to the Andy Well Plant**

### **DEFLECTOR GOLD COPPER MINE OPERATIONS UPDATE**

The Deflector Mine is forecast to produce approximately 60,000 - 65,000oz of payable gold at an AISC of A\$1,225 – A\$1,275/oz (inclusive of by-product copper credits).

This first full year of primary underground ore production includes a large component of development ore in the mine plan as the operation invests for future production. The Company expects to see the percentage of development ore decreasing and stoping ore increasing throughout FY 2018. The introduction of smaller mining equipment for narrower ore drives is being evaluated in Life of Mine planning with the view to further optimising the grade and throughput.

The Company expects to achieve its current forecast production guidance for FY 2017 at Deflector of between 50,000 – 55,000oz Au and 4,200 - 4,600t Cu (see ASX announcement 27 January 2017).

## SALE OF GOLD COPPER MIDLINGS UPDATE

Doray shipped the second and final batch of the Gold Copper Middlings product from Deflector to the customer's European smelter in early June 2017. The Company will no longer produce this Middlings product. The initial payment of A\$4.55M for this second batch has been received. Doray has now received A\$15M in total payments for the Middlings product (Refer Table 1). The Company expects final reconciliations for shipment one in June 2017 and shipment two during August 2017. The Deflector Mine will now produce approximately 70% of its total gold production onsite as doré with the remaining 30% contained in gold copper concentrate for immediate sale.

**Table 1 - Gold Copper Middlings Product Sales**

	Tonnes	Date Shipped	Samples Gold Grade Range g/t	Initial Payment Received	Final Reconciliation Expected
<b>Shipment One</b>	144	16 March 2017	1,800 to 2,300g/t	A\$10.48M	June 2017
<b>Shipment Two</b>	23	06 May 2017	3,500 to 4,000g/t	A\$4.55M	August 2017
<b>Total</b>				A\$15.03M	

## ANDY WELL GOLD MINE OPERATIONS UPDATE

The Company expects to achieve its current forecast production guidance for FY 2017 at Andy Well of between 50,000 – 55,000oz Au (see ASX announcement 27 January 2017).

As a result of the ongoing successful drilling results at Gnaweeda (see ASX announcement 9 June 2017), planning work has been extended at the Andy Well and Gnaweeda operations.

The studies being undertaken include blending and toll treating Gnaweeda ore which eliminates the requirement to upgrade the existing Andy Well Processing Plant. The plant has proven to be very effective on oxide ore sourced from previous open pit mines at Andy Well.

Doray will provide a strategic update and forecast production guidance for FY 2018 for the Andy Well/Gnaweeda operations once planning has been completed.

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**About Doray Minerals Limited**

Doray Minerals Limited is an Australian gold producer with two Western Australian gold operations: the Deflector Gold Copper Mine, which commenced production in May 2016 and the Andy Well Gold Mine, which commenced production in August 2013. The Company's Board and management team has a proven track record in discovery, development, and production.