



## ASX RELEASE 31 July 2017

### Issued Capital as at 30 June 2017

357.1m shares outstanding

**52 Week Share Price Range to 30 June 2017**  
 \$0.275 - \$1.245

### Market Capitalisation as at 30 June 2017

\$109m (@\$0.305)

### BOARD

**Julius Matthys**  
 Non-Executive Chairman

**Leigh Junk**  
 Managing Director

**Jay Stephenson**  
 Non-Executive Director

**Peter Alexander**  
 Non-Executive Director

### Substantial Shareholders as at 30 June 2017

Ruffer Gold Fund

Sun Valley Gold

Perennial Value

Adam Smith Asset

**Registered Office**  
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 West Perth WA 6005

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## JUNE 2017 QUARTERLY ACTIVITIES REPORT

### CORPORATE

- FY 2017 Group gold production 102,054oz Au at AISC \$1,277 (inc. Cu credits)
- FY 2017 Copper production of 4,599t
- FY 2017 Group revenue of \$201.17M

- Group Quarter gold sales of 26,742oz for \$52.4M revenue
- Group Quarter production of 21,781\*oz gold and 874t Cu
- Cash and payable metals of \$26.6M\*\* as at 30 June 2017
- Net debt reduced to \$23.4M as at 30 June 2017

### DEFLECTOR GOLD COPPER MINE

- 2017 Full Year production of 49,130z at AISC \$1,018 (inc. Cu credits)
- Quarter production of 11,233\*oz gold at AISC of \$1,171 (inc Cu Credits)
- \$19.42M received to date for entire gold copper middlings product inventory
- Successful transition to primary ore processing occurred late May 2017
- Bonanza gold grades from drilling at new discovery adjacent to Deflector

### ANDY WELL GOLD MINE

- 2017 Full Year production of 52,924 at AISC \$1,517
- Quarter production of 10,548 oz gold produced at AISC of A\$1,563/oz
- Underground mine to transition to care and maintenance phase on 1 November 2017
- Gnaweeda continues to return excellent drilling results whilst feasibility and permitting work continues

### EXCELLENT SAFETY PERFORMANCE

- 1,392 days Lost Time Injury (LTI) free at Andy Well and 723 days LTI free at Deflector

\*This includes an estimate of 1,381 ounces produced in the gold copper middlings product at Deflector

\*\*Based on estimated receipt values

**Doray Minerals Limited (ASX: DRM, “Doray”, “the Company”)** is pleased to present its Quarterly Activities Report for the period ended 30 June 2017.

Total payable production for the quarter ended 30 June 2017 was 874t of copper and 21,781oz of gold, which included an estimated 1,381oz from the Deflector gold copper middlings product. Revenue was \$52.4M for the quarter from gold sales of 26,742oz.

2017 Financial Year group production was 102,054 ounces at an AISC of \$1,277.

The Deflector Mine performed superbly over the course of the 2017 Financial Year to produce 49,130oz of gold at an AISC of \$1,018 including copper credits. Total receipts from the gold copper middlings product is now \$19.42M (*see ASX release 5 July 2017*). This middlings product will no longer be produced as Deflector has completed mining and processing the oxide and transitional ore. Deflector will now only produce gold in bullion and concentrate containing gold and copper from primary ore.

Andy Well had a difficult year producing 52,924oz of gold at an AISC of \$1,517. Subsequently, the decision has been made to suspend mining at the Andy Well Underground Mine on November 1 2017 as the focus turns to the Gnaweeda Deposit. Drilling continued at Gnaweeda (*see ASX release 9 June 2017*) as the permitting and evaluation studies progress.

**Table 1.1** Production Physicals

Physicals	Units	Andy Well	Deflector	Total
<b>Gold Produced</b>				
- Bullion	oz	10,548	5,499	16,047
- Concentrate	oz	-	4,353	4,353
<b>Sub Total</b>	<b>oz</b>	<b>10,548</b>	<b>9,852</b>	<b>20,400</b>
<b>Gold Copper Middlings</b>	oz	-	1,381 <sup>1</sup>	1,381 <sup>1</sup>
<b>Total</b>	<b>oz</b>	<b>10,548</b>	<b>11,233<sup>2</sup></b>	<b>21,781<sup>2</sup></b>
<b>Concentrate Produced</b>	dmt	-	4,097	4,097
- Contained Copper	t	-	874	874
<b>Gold Sold</b>	oz	10,926	15,661 <sup>3</sup>	26,587 <sup>3</sup>
<b>Revenues</b>				
<b>Bullion sales</b>	A\$M	17.99	9.57	27.56
<b>Average Price Received - Bullion</b>	A\$/oz	1,646	1,655	1,649
<b>Concentrate sales</b>	A\$M	-	24.79	24.79
<b>Total</b>	<b>A\$M</b>	<b>17.99</b>	<b>34.36</b>	<b>52.35</b>
<b>All-In Sustaining Cost</b>	A\$/oz	1,563	n/a	

<sup>1</sup> as estimated by sampling the gold copper middlings product

<sup>2</sup> includes 1,381 ounces that has been estimated by sampling the gold copper middlings product

<sup>3</sup> includes 5,022 ounces of Middlings sold in the Quarter

## 1. DEFLECTOR GOLD COPPER PROJECT

### 1.1. Safety

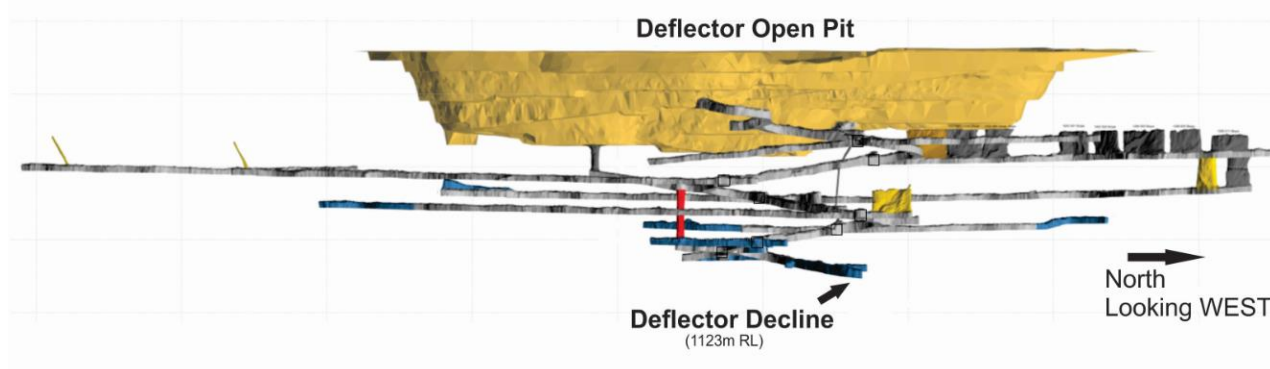
Deflector site achieved 723 LTI free days since construction commenced in July 2015.

### 1.2. Mining

The vertical advance of the decline has been the operational focus enabling multiple ore development headings to be established, which in turn are beginning to provide multiple stoping working areas that will underpin production flexibility and consistency. At the end of the Quarter the mine was establishing the first phase of major underground capital infrastructure such as a high voltage sub-station, primary pumping station and return airway extensions that provide a solid platform for future works.

Ore development represented 75% of all underground ore produced in the Quarter. A total of 78,659 tonnes @ 3.1g/t and 0.8% Cu from the Western, Central and Contact lodes was produced. Stopping activities (comprising the remaining 25% of ore production) continued to ramp up during the Quarter with activities focused on the upper levels of the Western lode in mainly transition material, producing 25,693 tonnes @ 4.85g/t and 1.1% Cu.

Underground capital mine development advanced 446m with the decline face reaching 1,123mRL, 157m below surface and 117m below the portal by the end of the Quarter.



**Figure 1.** Deflector mining progress as at the end of the June 2017 Quarter.

**Table 1.2** Summary of mining physicals for June 2017 Quarter

Mining	Units	Total
Ore mined	t	104,352
Gold grade	g/t	3.5
Copper grade	%	0.9
Ounces mined	oz	11,791
Capital development	m	446
Operating development	m	1,272

### 1.3. Processing and Production

The processing plant treated oxide, transitional and primary ore throughout the Quarter. A final parcel of oxide ore was processed monetising open pit stocks which would otherwise have been deferred until the end of mine life. The final oxide processing also meant a final, relatively small shipment of gold copper middlings product containing approximately 3,000 ounces of gold was dispatched to the smelter at Quarter end.

The processing plant operated well during the Quarter with increased throughput and recovery of both gold and copper. The switch from oxide to primary ore processing during the Quarter meant site doré production resumed and over time will trend towards the long term gold production ratio of approximately 70% from onsite bullion and 30% contained in the exported gold copper concentrate.

Importantly, the destination of the payable metals into doré and copper concentrate improved over the Quarter as less was required to be directed to the middlings stream as the mineralogy trended towards primary ore. The plant is now processing primary ore and the gold copper middlings have ceased being produced. Operational statistics are shown in Table 2.2 and notably the throughput is now at the annualised nameplate capacity of 480,000 tonnes.

Eight shipments of Deflector gold copper concentrate were made during the Quarter totalling 4,578 dry metric tonnes. The gold grade of the concentrate improved markedly compared to last Quarter (33g/t vs. 17g/t), improving the value received. Shipment lots were a combination of 500dmt and 1,000dmt lots to suit operational flexibility. MRI Trading AG marketed the product into various South East Asian client smelters.

**Table 1.3** Summary of processing physicals for June 2017 Quarter

Processing	Units	Total
<b>Ore Milled</b>	t	123,204
<b>Gold Grade</b>	g/t	3.4
<b>Copper Grade</b>	%	1.1
<b>Gold Produced</b>		
- Bullion	oz	5,499
- Concentrate	oz	4,353
- Middlings	oz	1,381*
<b>Total</b>	oz	11,233**
<b>Gold Recovery (Including Middlings)</b>	%	84%**
<b>Copper Produced</b>	t	874
<b>Copper Recovery into Concentrate</b>	%	67%
<b>Concentrate Shipped</b>	dmt	4,578
- Gold Grade	g/t	33
- Copper Grade	%	21.2

\* As estimated by sampling the gold copper middlings product

\*\* Includes 1,381 ounces that has been estimated by sampling the gold copper middlings product

#### 1.4. Deflector Extensional Exploration

During the Quarter, Doray continued with an extensive Resource extensional and infill diamond drilling programme at Deflector. This programme was primarily targeting depth extensions of the Central and Western Lodes, which host the majority of contained metal within the deposit. To date, results have been excellent and confirm the persistence and tenor of high grade mineralisation at depth on both lodes. Significant results returned during the Quarter include (see ASX Release 17 May 2017):

- DEDD010 – **0.87m @ 8.0g/t Au** and **0.7% Cu** from 204.5m (Western Lode)
- DEDD012 – **0.79m @ 23.1g/t Au** and **1.2% Cu** from 185.7m (Western Lode)
- DEDD013a – **1.4m @ 15.0g/t Au** and **0.2% Cu** from 318.5m (Western Lode)
- DEDD014a – **0.3m @ 349g/t Au** and **2.1% Cu** from 256.8m (Western Lode)
- DEDD019 – **0.3m @ 118g/t Au** and **3.7% Cu** from 92.3m (Contact Lode) *and* **0.3m @ 156g/t Au** and **1.0% Cu** from 306.3m (Central Lode)
- DEDD020 – **2.1m @ 10.9g/t Au** and **0.5% Cu** from 236.0m (Central Lode)
- DEDD021a – **3.1m @ 14.5g/t Au** (Cu pending) from 227.0m (Central Lode)
- DEDD024 – **1.6m @ 14.4g/t Au** and **0.4% Cu** from 290.0m (Central Lode)
- DEDD025 – **0.95m @ 56.3g/t Au** and **0.8% Cu** from 276.4m (Central Lode)
- DEDD026 – **1.1m @ 11.3g/t Au** (Cu pending) from 154.8m (Contact Lode) *and* **1.1m @ 14.4g/t Au** (Cu pending) from 300.3m (Central Lode)
- DEDD028 – **0.3m @ 17.2g/t Au** and **0.1% Cu** from 173.7m (Contact Lode)

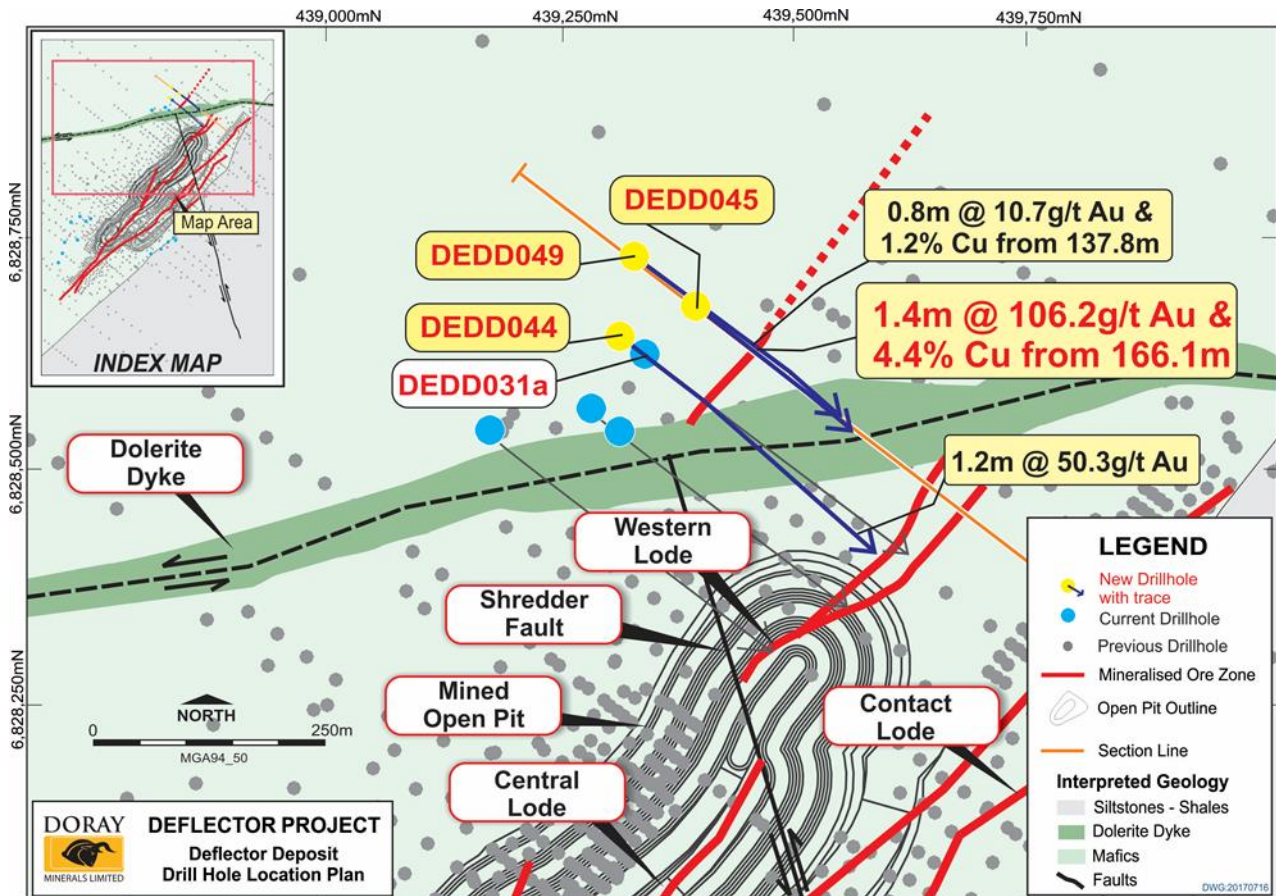
In addition, drilling has also targeted the northern end of the Western Lode, where drill coverage is much shallower than the rest of the Deflector deposit. Drilling in this area confirmed the continuity and tenor of mineralisation in this part of the Lode, with significant results including (see ASX Release 14 June 2017):

- DEDD031a – **2.6m @ 31.5g/t Au** and **3.9% Cu** from 191.2m (Western Lode)
- DEDD033 – **7.2m @ 13.1g/t Au** and **1.2% Cu** from 259m (Western Lode)
- DEDD032 – **5.5m @ 2.7g/t Au** (Cu pending) from 218m, including **1.3m @ 8.1g/t Au** (Western Lode)
- DEDD029 – **3.9m @ 6.2g/t Au** (Cu pending) from 193.5m (Western Lode)

In completing this programme on the northern end of the Western Lode, drillhole DEDD031a, which was collared north of the dolerite dyke that marks the extent of the current orebody, intersected a strong mineralised lode shallow in the hole, at approximately 65m below surface. The intersection is consistent with that observed in the Western Lode of the main Deflector deposit, with quartz-carbonate veining and footwall massive sulphide development. These intersections returned assays of **0.95m @ 2.4g/t Au** from 92.6m and **0.3m @ 6.8g/t Au** and **1.2% Cu** from 97.5m (see ASX Release 14 June 2017). This intersection is significant, in that it marks a new zone of mineralisation north of the existing orebodies.

Subsequent to the end of the Quarter, further drilling in this new zone has continued to intersect significant mineralisation. An additional drill section, 40m along strike from DEDD031a, intersected mineralisation in DEDD045 and DEDD049 (see ASX Release 22 July 2017). Assays returned from DEDD045 were **0.8m @ 10.7g/t Au** and **1.2% Cu** from 137.8m and **1.4m @ 106.2g/t Au** and **4.4% Cu** from 166.1m. This new zone of mineralisation is illustrated in Figure 2 with respect to the current Deflector gold mine. While assays are still outstanding for DEDD049, the mineralisation intersected did have significant visible gold noted.

Additional drilling is underway to further test this new zone of mineralisation, stepping out further along strike to the north.



**Figure 2** Deflector Gold Mine, new northern extension mineralisation. Simplified interpreted geology and drill hole location plan.

### 1.5. Deflector Near-Mine Exploration

During the Quarter, Doray received results from the first pass RC drilling undertaken at the King Solomon/New Phoenix prospect completed during the March Quarter (*see ASX Release 26 April 2017*). The programme was successful in confirming mineralisation in the vicinity of historic mined areas of the lodes, and also in intersecting interpreted fault offsets to the mineralisation. Mineralisation is now not only open down dip of historic workings, but also along strike to the northeast as well as the southwest. Significant intersections returned from the programme include:

- KSRC001 – **2m @ 5.6g/t Au** from 8m
- KSRC002 – **4m @ 9.3g/t Au** from 67m
- KSRC004 – **2m @ 9.2g/t Au** from 149m
- KSRC012 – **1m @ 26.3g/t Au** from 173m

A follow-up RC programme will be planned for the near future, to both test the existing structures in a more systematic manner, as well as to scope out potential further extensions along strike.



## 2. ANDY WELL GOLD PROJECT

### 2.1. Safety

As at 30 June 2017 Andy Well has achieved 1,392 days without an LTI from the initial start of construction on site during November 2012.

### 2.2. Mining

During the Quarter the Company undertook a number of studies to investigate the potential for combining the Andy Well underground mine and the Gnaweeda Project (located 15kms to the East) as a single operation in order to optimise cashflows and profitability. Unfortunately, as these studies progressed, underground mining at Andy Well revealed a reduction in strike length of both Wilbur and Judy ore bodies. As a result, the gold production has been reduced and forecast unit costs of the operation remain high.

Consequently, Subsequent to the end of the Quarter the Board made the decision to shorten the current mine plan for the Andy Well underground mine, and on 1 November 2017 mining at the Andy Well operation will be suspended and the mine will be placed on care and maintenance (see ASX release 6 July 2017).

The Andy Well underground mine was not forecast to significantly contribute to Doray's ongoing debt repayments under its existing facility with Westpac Banking Corporation. The Company is of the opinion that future debt repayment schedules will not be significantly affected by this event.

**Table 2.1** Summary of mining physicals for June 2017 Quarter

Mining	Units	Total
Ore mined	t	64,160
Gold grade	g/t	4.2
Ounces mined	oz	8,686
Capital development	m	453
Operating Development	m	434

### 2.3. Processing and Production

The plant processed 78,879 tonnes and attained 99.3% availability during the Quarter. Gravity gold circuit recoveries have remained consistently high during the Quarter and total recovery averaged 96%.

The plant continues to operate with high throughput, recovery and availability.

**Table 2.2** Summary of processing physicals for June 2017 Quarter

Processing	Units	Total
Ore tonnes milled	t	78,879
Mill grade	g/t	4.3
Recovery	%	96%
Gold recovered	oz	10,525
Change in gold in circuit	oz	23
Gold produced	oz	10,548

**Table 2.3 Summary of Cost Performance for June 2017 Quarter**

<b>Andy Well – June 2017 Qtr</b>	<b>A\$000</b>	<b>A\$/t</b>	<b>A\$/oz</b>
<b>Mining</b>	5,857	91	555
<b>Processing &amp; Refining</b>	2,823	44	268
<b>Site Services</b>	1,181	18	112
<b>By-Product Credits</b>	(44)	(1)	(4)
<b>C1 – Total Cash Operating<sup>1</sup></b>	<b>9,817</b>	<b>153</b>	<b>931</b>
<b>Depreciation</b>	2,594	40	246
<b>Amortisation</b>	6,905	108	655
<b>C2 – Cash Costs</b>	<b>19,317</b>	<b>301</b>	<b>1,831</b>
<b>Royalties</b>	774	12	73
<b>Net Bank Interest</b>	267	4	25
<b>Allocation of Head Office Costs</b>	58	1	6
<b>C3 – Cash Costs</b>	<b>20,416</b>	<b>318</b>	<b>1,935</b>
<b>All-In Sustaining Costs</b>			
<b>Mining</b>	5,857	91	555
<b>Processing and refining</b>	2,823	44	268
<b>Site Services</b>	1,181	18	112
<b>Mining Operating Costs</b>	<b>9,862</b>	<b>154</b>	<b>935</b>
<b>By-Product Credits</b>	(44)	(1)	(4)
<b>Royalties</b>	774	12	73
<b>Corporate G&amp;A</b>	669	10	63
<b>Reclamation &amp; Remediation</b>	44	1	4
<b>Sustaining Exploration</b>	651	10	62
<b>Sustaining Capital Expenditure</b>	4,532	71	430
<b>All-In-Sustaining Cost (AISC)<sup>2</sup></b>	<b>16,487</b>	<b>257</b>	<b>1,563</b>

<sup>1</sup> C1, C2 and C3 cash costs calculated in accordance with Brook Hunt methodology

<sup>2</sup> AISC calculated in accordance with World Gold Council guidelines (except for the exclusion of non-cash P&L charges associated with the issue of employee options)

## 2.4. Near-Mine Exploration

### 2.4.1. Gnaweeda Project – Turnberry Deposit

During the Quarter, Doray announced an updated Mineral Resource estimate for the Turnberry Deposit, located 15km east of the Andy Well processing plant (*see ASX Release dated 9 June 2017*). The revised estimate resulted in a significant increase to the gold inventory of approximately 21%, and now stands at **5.5Mt @ 1.8g/t for 322,000 contained oz gold** (Indicated and Inferred – see Table 2.4 below). This Mineral Resource estimate is based on an open pit mining scenario and has utilised all Doray data available prior to the current drill programme. Figure 3 highlights the orezone interpretations for this estimate.

Following the results of this estimate, a further RC and diamond drilling programme was commenced, with an aim of infilling the areas of the Mineral Resource considered to have the highest potential for open pit mining. This drilling is infilling these areas to a nominal 20m x 20m drill density. Initial results received from the Turnberry South area of the Resource drilling have been highly encouraging (*see ASX Release 9 June*



2017). It has confirmed both the revised geological interpretation of mineralisation at Turnberry, as well as the continuity of grade within the interpreted mineralised zones (see Figure 4). Significant assay results returned from within the Turnberry South area include:

- TBRC207 – **12m @ 11.6g/t Au** from 37m and **2m @ 18.6g/t Au** from 66m
- TBRC208 – **23m @ 7.1 g/t Au** from 69m (including **4m at 23g/t Au**)
- TBRC204 – **5m @ 9.4g/t Au** from 53m
- TBRC205 – **3m @ 10.1g/t Au** from 96m
- TBRC206 – **5m @ 15.3g/t Au** from 125m

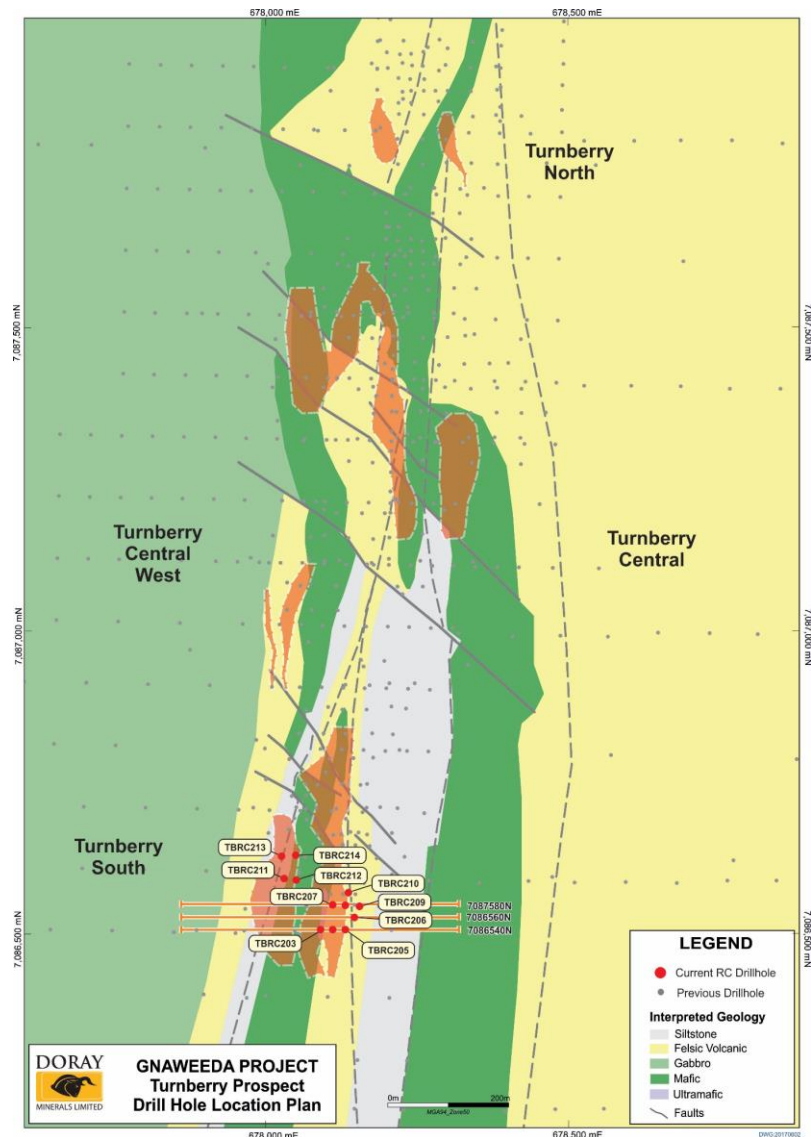
A consistent high grade zone located at the base of the host dolerite unit is present within this Turnberry South area extending to within 15m from surface, as highlighted on the cross sections in Figure 5. This area of the Resource is being targeted for open pit mining with potential for this zone to be explored at depth as part of any future underground mining studies.

Development and evaluation work at Turnberry is continuing. The Mining Lease application is entering the final phase of the grant process. Heritage surveys of potential haul routes have been finalised, and a Miscellaneous Lease application covering the preferred route has been lodged. Initial hydrogeological studies have been completed, potential groundwater disposal options generated and the required environmental surveys are nearing completion. Initial geotechnical assessments for open pit mining parameters have been completed, and will be updated with additional core drilling undertaken as part of the current drill programme.

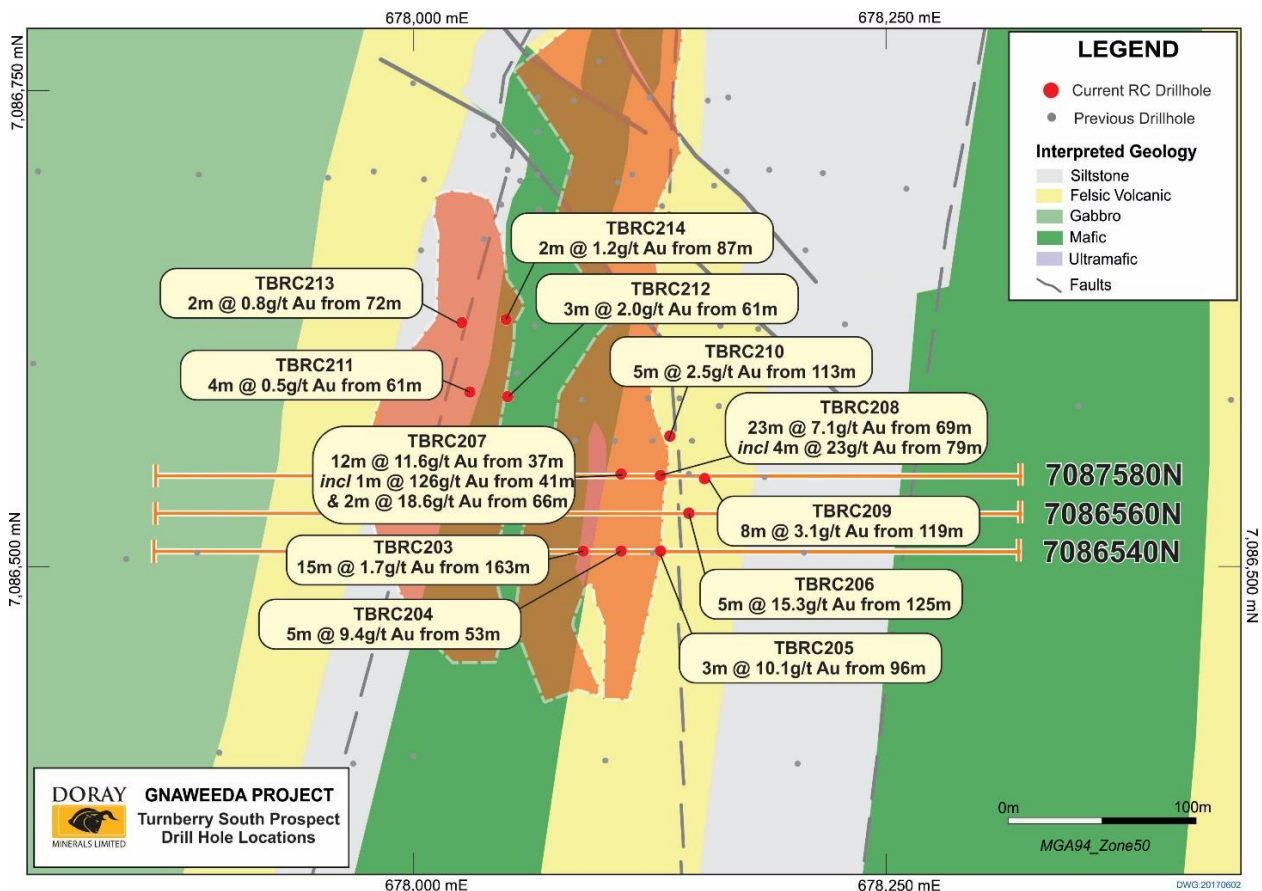
**Table 2.4** Gnaweeda Project Mineral Resource Inventory (as per JORC Code 2012)

	Indicated			Inferred			Total		
	<i>Tonnes (Mt)</i>	<i>Grade (g/t)</i>	<i>Gold (oz)</i>	<i>Tonnes (Mt)</i>	<i>Grade (g/t)</i>	<i>Gold (oz)</i>	<i>Tonnes (Mt)</i>	<i>Grade (g/t)</i>	<i>Gold (oz)</i>
<b>Turnberry</b>	1.2	2.6	101,000	4.3	1.6	221,000	5.5	1.8	322,000
<b>Total</b>	<b>1.2</b>	<b>2.6</b>	<b>101,000</b>	<b>4.3</b>	<b>1.6</b>	<b>221,000</b>	<b>5.5</b>	<b>1.8</b>	<b>322,000</b>

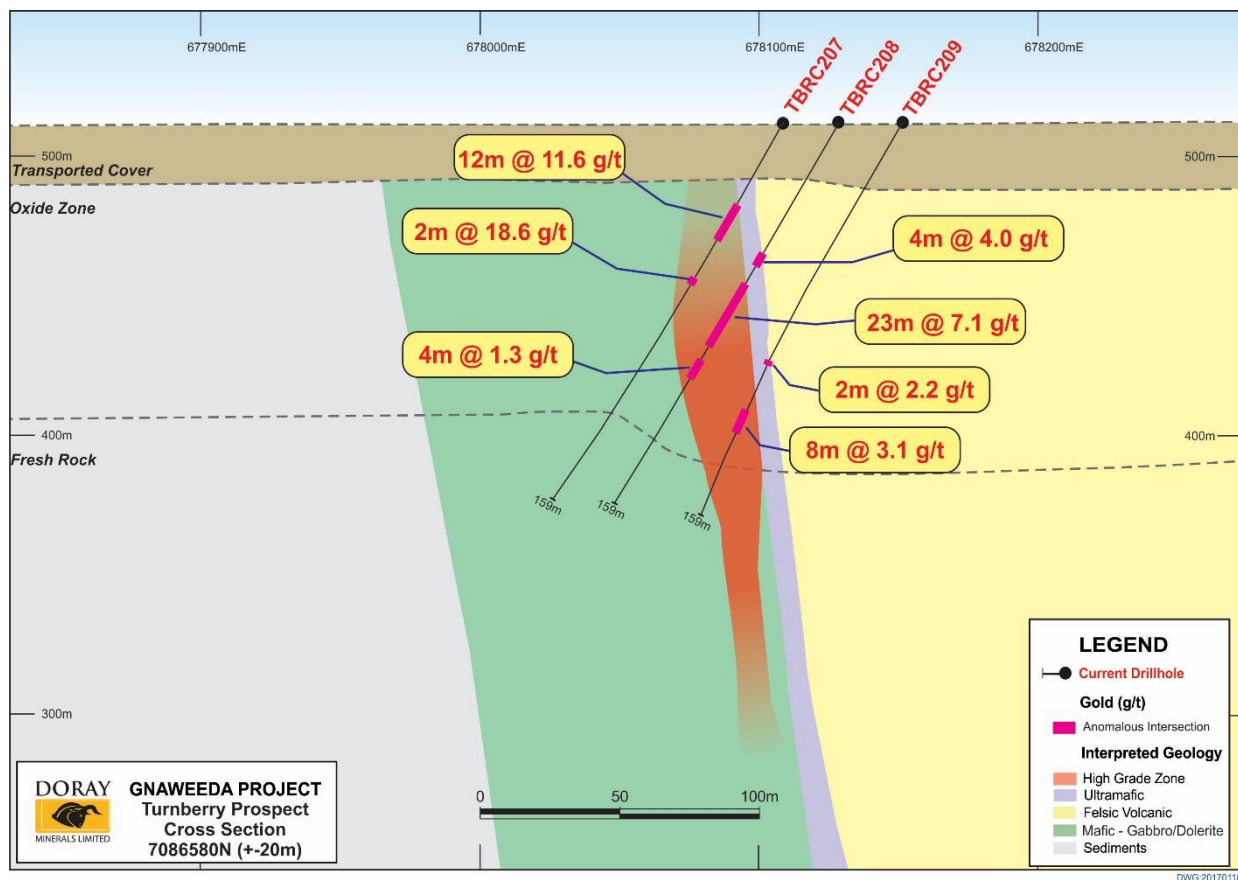
Note: Resources quoted above 0.8g/t Au lower cut-off. Various upper cuts applied to informing data. Rounding errors may occur.



**Figure 3** Turnberry Deposit, drill hole location plan for RC drilling with Mineral Resource interpretation.



**Figure 4** Turnberry Deposit – Turnberry South Interpreted mineralisation with recent significant intercepts.



**Figure 5** Turnberry Deposit, Drill hole cross-section 7087580mN

### 3. EXPLORATION AND GROWTH

#### 3.1. Western Australia Regional Exploration

##### Mt Fisher Farm-in Agreement

No work was completed on the Mt Fisher Project during the Quarter.

Subsequent to the end of the Quarter, the Company informed Rox Resources Ltd that following the satisfaction of the minimum expenditure during the period to 30 June 2017, it would not be continuing with the farm-in agreement. Doray's withdrawal from the agreement will take effect following completion of all rehabilitation of drill sites, which is expected to be completed during the September 2017 Quarter.

#### 3.2. South Australia Regional Exploration

##### West Gawler Gold Farm-in Agreement

During the Quarter, the Company informed Iluka Resources Ltd that it would be withdrawing from the West Gawler Gold Farm-In Agreement. In agreement with Iluka, the withdrawal will be effective upon completion of minor rehabilitation works related to its previous drilling activities. This work is expected to be completed during the September 2017 Quarter.

#### 3.3. Business Development

Doray maintains an active business development program and examined a number of potential tenement and project opportunities during the Quarter.

### 4. CORPORATE/FINANCE

#### 4.1. Quarterly Cash and Equivalents Balances

Doray's cash position at 30 June 2017 was approximately \$20.4 million with \$4.0 million of gold-on-hand and \$2.2 million of concentrate-on-hand.

During the Quarter, the Company repaid \$13.5 million under its corporate finance facility with Westpac Banking Corporation.

**Table 4.1 Summary of cash, gold on hand and debt at 30 June 2017**

Item	A\$M
Cash	20.4
Gold on Hand	4.0*
Concentrate on Hand	2.2*
<b>Total Cash and Gold on Hand</b>	<b>26.6</b>
Debt Balance	(50.0)
<b>Net Cash/(Debt)</b>	<b>(23.4)</b>

\*Based on estimated receipt values

#### 4.2. Hedging

The Company advises that as at 30 June 2017 it had 81,265 ounces sold forward at an average price of A\$1,603 per ounce.

Hedging future production represents a key component of the Company's capital management strategy and is seen as a prudent practice while the Company has outstanding debt.

#### 4.3. Marketing and Investor Relations

During the Quarter the Company completed a roadshow presenting to investors in Perth, Melbourne and Sydney. Management continue to promote the evolution of the Company's projects and how to best maximise the contained value for the benefit of all shareholders.



**Leigh Junk**  
Managing Director  
Doray Minerals Ltd

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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.

**Competent Person Statements**

The information in this announcement regarding Exploration Results, Mineral Resources or Ore Reserves has been extracted from various Doray ASX announcements and are available on the Company's website at [www.dorayminerals.com.au](http://www.dorayminerals.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au) (using ticker code "DRM").

Doray confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed. Doray confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.