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ABN: 48 138 978 631

18 November 2014

The Manager  
Company Announcements Office  
ASX Limited

Dear Sir/Madam

**Takeover bid by Doray Minerals Limited for Mutiny Gold Limited – lodgement of bidder's statement**

We attach, by way of service pursuant to section 633(1) item 5 of the *Corporations Act 2001* (Cth), a copy of the bidder's statement dated 17 November 2014 (**Bidder's Statement**) in relation to Doray Minerals Limited's ACN 138 978 631 off-market takeover bid for all of the issued ordinary shares and listed options in Mutiny Gold Limited ACN 101 224 999 (**Mutiny**).

Yours sincerely

A handwritten signature in black ink, appearing to read "Iain Garrett", with a horizontal line drawn through the middle of the signature.

Iain Garrett  
Company Secretary

# DORAY



MINERALS LIMITED

ACN 138 978 631

# BIDDER'S STATEMENT

## CONTAINING OFFERS BY

### **DORAY MINERALS LIMITED**

ABN 48 138 978 631

**to purchase all of your ordinary shares  
and all of your listed options in**

### **MUTINY GOLD LIMITED**

ABN 72 101 224 999

For every 9.5 Mutiny Shares you own,  
you will receive 1 Doray Share

For every 9.5 Mutiny Listed Options you own,  
you will receive 1 Doray Listed Option

Legal Adviser

**CORRS  
CHAMBERS  
WESTGARTH**  
lawyers

Financial Adviser

  
**GRESHAM**  
INVESTMENT HOUSE

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document, you should consult your broker or financial or legal adviser immediately.

## Key dates

Date of Bidder's Statement	17 November 2014
Date of the Offers	20 November 2014
Closing date of the Offers (unless extended or withdrawn*)	7.00pm (Sydney time) on 23 December 2014

\*The Offers may be extended to the extent permitted under the Bid Implementation Agreement and the Corporations Act.

## Doray Information Line

If you have any questions about this Bidder's Statement or the Offers, you should contact the Doray Information Line on +61 8 6140 7422 between 9.00am and 5.00pm (Perth time) Monday to Friday.

## Important Information

### Bidder's Statement

This document is the Bidder's Statement dated 17 November 2014 given by Doray Minerals Limited ABN 48 138 978 631 (**Doray**) to Mutiny Gold Limited ABN 72 101 224 999 (**Mutiny**) in relation to off-market takeover offers for all Mutiny Shares and all Mutiny Listed Options under Part 6.5 of the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 17 November 2014. Neither ASIC nor any of its respective officers take any responsibility for the content of this Bidder's Statement.

### Definitions and interpretation

A number of important words and phrases with particular meanings are used in this Bidder's Statement. These terms are explained in **section 12** of this Bidder's Statement.

### Investment decisions

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Mutiny Securityholder or any other person. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offers made to you.

### Information regarding Mutiny and the Combined Group

The information relating to Mutiny contained in **sections 3** and **4.1 to 4.6** has been provided by Mutiny and is the sole responsibility of Mutiny. That information has not been independently verified by Doray and neither Doray nor any of its officers, employees or advisers assumes any responsibility for the accuracy or completeness of that information.

Any other information in this Bidder's Statement concerning Mutiny or Mutiny's assets and securities has been prepared from publicly available information and limited information made available by Mutiny to Doray. The information on the Combined Group in this Bidder's Statement, to the extent that it incorporates or reflects information on Mutiny, is based on the information contained in **sections 3** and **4.1 to 4.6** and publicly available information regarding Mutiny. This information has not been independently verified by Doray, and accordingly to the extent permitted by the Corporations Act, Doray makes no representations and warranties, express or implied, as to the accuracy or completeness of such information.

The information in this Bidder's Statement relating to Mutiny should not be considered comprehensive. Further information relating to Mutiny may be included in the Target's Statement which will be sent to you by Mutiny.

### Forward looking statements

This Bidder's Statement may contain forward looking statements, which include statements other than statements of historical fact. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Mutiny and Doray and the members of the Mutiny Group and Doray Group operate as well as general economic conditions, prevailing exchange rates and interest rates, and conditions in the financial markets and other factors, many of which are beyond the control of Doray. Actual events, results, values, performance or achievements may differ materially from events, results, values, performance or achievements expressed or implied in any forward looking statement. The past performance of Doray is no guarantee of future performance.

None of Doray, any of its directors, officers or advisers, or any other person named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Bidder's Statement will actually occur. Accordingly, you are cautioned not to place undue reliance on any forward looking statements.

The forward looking statements in this Bidder's Statement only reflect views held as at the date of this Bidder's Statement.

### Value of Doray Securities

As you are being offered Doray Shares and Doray Listed Options as consideration for your Mutiny Shares and Mutiny Listed Options, the implied value of the Offers will vary with the market price of Doray Shares. Further information on the implied value of the Offers is contained in the 'Reasons why you should accept the Offers' section of this Bidder's Statement.

### Foreign Securityholders

Mutiny Securityholders should note that the consideration under the Offers involves the issue of Doray Securities. The Offers are subject to disclosure requirements in Australia which are different from those applicable in other countries.

Subject to the paragraphs below, Mutiny Securityholders whose addresses in Mutiny's registers of Mutiny Securityholders are not in Australia, New Zealand, Singapore or the United Kingdom will not be entitled to receive Doray Securities on acceptance of the Offers (unless Doray determines otherwise). Instead, those Foreign Securityholders who accept the Offers will be paid a cash amount calculated in accordance with **sections 10.10** (for the Share Offer) and **11.10** (for the Option Offer) of this

Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the offer or issue of such securities would be unlawful.

In particular, Doray Shares and Doray Listed Options have not been, and will not be, registered under the *Securities Act 1933* of the United States of America (**Securities Act**) and may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws.

#### **New Zealand**

In making the Offers available to Mutiny Securityholders with registered addresses in New Zealand, Doray is relying on an exemption contained in the New Zealand *Securities Act (Overseas Companies) Exemption Notice 2002* in relation to prospectus and investment statement requirements in New Zealand. This Bidder's Statement may not contain all the information that a bidder's statement under New Zealand law is required to contain.

#### **Singapore**

This document has not been lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore (**MAS**) and therefore, the statutory liability under the *Securities and Futures Act* (Cap. 289) (**SFA**) in relation to the content of prospectuses will not apply. The MAS assumes no responsibility for the contents of this document. The MAS has not in any way considered the merits of the Doray Securities being offered pursuant to the Offers as described in this document. You should consider carefully whether this offer is suitable for you.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of Doray Securities may not be circulated or distributed, nor may Doray Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with the exemption set out in section 273(1)(b) of the SFA or otherwise in accordance with any other relevant exemption under the SFA.

Any offer of Doray Securities is personal to you, as a current shareholder of Mutiny, and is not made to you with a view to the securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

#### **United Kingdom**

Neither the information in this document nor any other document relating to the Offers have been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (**FSMA**)) has been published or is intended to be published in respect of the Doray Securities. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) and to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the Doray Securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Doray Securities has only been communicated or caused to be communicated and will only be communicated or caused to

be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to Doray.

In the United Kingdom, this document is being distributed only to, and is directed at, persons to whom it may lawfully be made within the circumstances described in Article 62 of the *Financial Services and Markets Act 2000* (Financial Promotions) Order 2005 (the **FPO**) (members of certain bodies corporate), (ii) Article 67 of the FPO (promotions required or permitted by market rules) or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

You are advised to exercise caution in relation to the Offers. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice. Mutiny Securityholders who are resident outside of Australia, New Zealand, Singapore and the United Kingdom should refer to **sections 10.10** and **11.10** of this Bidder's Statement for further details.

#### **Privacy**

Doray has collected your information from the registers of securityholders of Mutiny for the purposes of making the Offers and, if accepted, administering your securityholding in Doray. Doray and the share registry may disclose your personal information to their Related Bodies Corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by Doray, please contact the Doray Information Line.

#### **ASX codes**

Doray Minerals Limited: ASX: DRM  
Mutiny Gold Limited: ASX: MYG

#### **Miscellaneous**

All amounts are in Australian currency unless otherwise specified. Unless specified, all references to time are to the local time in Perth, Western Australia.



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## Chairman's Letter

17 November 2014

Dear Mutiny securityholder,

### Recommended Off-Market Takeover Bid for Mutiny Gold Limited

As you may be aware, Doray Minerals Limited (**Doray**) and Mutiny Gold Limited (**Mutiny**) have recently announced the terms of a unanimously recommended off-market takeover offer for all of your shares and listed options in Mutiny (**Offers**).

On behalf of the Directors of Doray, I am pleased to enclose our Offers for all of your shares and listed options in Mutiny.

Under the Offers, Doray is offering:

- one Doray fully paid ordinary share for every 9.5 of your Mutiny fully paid ordinary shares (**Share Offer**), and
- one comparable Doray listed option for every 9.5 of your Mutiny listed options (**Option Offer**).

Upon successful completion of the Offers, Mutiny Shareholders will together hold up to 33% of the combined group<sup>1</sup>, enabling you to continue to have exposure to the future upside associated with developing Mutiny's Deflector project whilst mitigating and diversifying the current development risks to which you are exposed by becoming part of a larger, and more diversified, leading Western Australian high-grade gold company.

We have summarised on the following pages why Doray believes that a combination of Doray and Mutiny makes sense and will generate value for securityholders of both companies. The combined group is expected to have:

- An attractive portfolio of complementary high-grade production, development and exploration assets in the highly prospective Murchison mining district of Western Australia.
- Forecast annualised production of around 160,000 gold equivalent ounces per year across two high-grade gold production centres once Deflector is commissioned<sup>2</sup>.
- A combined Mineral Resource base in excess of 1 million ounces of gold at a grade of 7.7g/t plus 27Kt of copper at a grade of 0.9%, which is anticipated to increase with further systematic exploration<sup>3</sup>.
- Enhanced scale and market presence with the financial strength to optimise funding the development of Deflector.
- A board and management team with a proven track record of delivering shareholder value through the successful discovery, development and operation of high-grade, narrow vein gold projects.
- Increased scale, market relevance and trading liquidity.

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<sup>1</sup> Based on the number of Mutiny and Doray Shares and Mutiny Options that were 'in-the-money' as at the date of the announcement of the Offers. The actual percentage interest that Mutiny Securityholders will hold in the Combined Group will depend upon the extent to which Mutiny Options and Doray Options (including any Doray Options issued under the Option Offers) are exercised.

<sup>2</sup> Pro-forma forecast gold production for the Combined Group has been based on the internal mine plans for Doray and Mutiny. Production forecasts are subject to risk factors associated with developing, mining and processing including, amongst others, variations in grade, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment, permit approvals, labour force disruptions, adverse weather conditions, geopolitical risks and landowner relations. Forecast gold production for the Deflector Project is also subject to risks relating to the financing and development of that project.

<sup>3</sup> For further information, refer to section 1 of this Bidder's Statement in relation to Doray's Mineral Resource information, section 3 of this Bidder's Statement in relation to Mutiny's Mineral Resource information and section 5 of this Bidder's Statement in relation to the Mineral Resource information for the Combined Group.

The fact that the US\$ gold price is currently hovering around four year lows has reinforced the Doray Board's view of the considerable advantages of combining Mutiny and Doray and our strong belief that the combined group will have the key attributes needed to fill the growing investment void in the Australian listed gold sector.

The Mutiny directors have unanimously recommended that Mutiny shareholders and Mutiny listed optionholders accept the Offers made to them, and have agreed to accept the Offers in respect of their own holdings, in the absence of a superior proposal.

Three of Mutiny's largest shareholders (Ausdrill International Pty Ltd, Drake Private Investments, LLC and Sandstorm Gold Ltd) have provided their support for the Offers by entering into pre-bid acceptance agreements with Doray in respect of 18.68% of the Mutiny shares on issue.

I encourage you to carefully read this booklet and to accept the Offers without delay. If you require additional assistance, please contact the Doray Information Line on +61 8 6140 7422 between 9.00am and 5.00pm (Perth time) Monday to Friday or consult your financial or other professional adviser.

Doray directors look forward to welcoming you as a new securityholder in Doray.

Yours sincerely,



**Peter Alexander**  
Non-executive Chairman  
Doray Minerals Limited

## REASONS WHY YOU SHOULD ACCEPT THE OFFERS

<b>1.</b>	<b>Unanimous recommendation from the Mutiny Directors to accept the Offers, in the absence of a Superior Proposal</b>
<b>2.</b>	<b>Creation of a mid-tier, high-grade gold company well placed to enhance the value of the Combined Group's assets</b>
<b>3.</b>	<b>Enhanced scale, market presence and increased funding capability</b>
<b>4.</b>	<b>A substantial premium to pre-announcement prices</b>
<b>5.</b>	<b>Mutiny's share price is likely to fall if the Offers are unsuccessful</b>
<b>6.</b>	<b>You may be eligible for Australian capital gains tax relief</b>

## 1. Unanimous recommendation from the Mutiny Directors to accept the Offers, in the absence of a Superior Proposal

The Mutiny Directors have unanimously recommended Mutiny Shareholders and Mutiny Optionholders accept the Offers, in the absence of a Superior Proposal.

All of the Directors of Mutiny intend to accept, or procure the acceptance of, the Offers in respect of any Mutiny Shares and Mutiny Listed Options that they own or control, in the absence of a Superior Proposal.

If you accept the Offers made to you and those Offers become or are declared unconditional, you will receive<sup>4</sup>:

Security	Consideration
<b>Mutiny Shares</b>	One Doray Share for every 9.5 Mutiny Shares held ( <b>Share Offer</b> )
<b>Mutiny Listed Options</b>	One Doray Listed Option for every 9.5 Mutiny Listed Options held ( <b>Option Offer</b> )

As at the date of this Bidder's Statement, Doray is not aware of any Superior Proposal having been received by Mutiny and Mutiny has not made Doray aware of any party having an intention to make such a proposal.

## 2. Creation of a mid-tier, high-grade gold company well placed to enhance the value of the Combined Group's assets

If the Offers are successful, Mutiny Shareholders who accept the Offers will become part of a larger, more diversified gold company with a portfolio which includes Doray's operating high-grade Andy Well mine, Mutiny's Deflector Project which is in the development phase, and a number of prospective exploration properties in Western Australia and South Australia.

In addition to continuing to have exposure to the future upside associated with the Deflector Project through owning up to 33% of the Combined Group<sup>5</sup>, Mutiny Shareholders will gain exposure to a number of positive attributes of the Doray business:

- Doray is an existing gold producer, with its Andy Well Project producing 76,785 ounces of gold at an operating cash cost (C1) of A\$522 per ounce, and an all-in sustaining cost (AISC) of A\$1,044 per ounce, during FY 2014. Doray is anticipating gold production of 77,000 – 85,000 ounces in FY 2015 from its high grade Andy Well Project at a competitive cash cost, which will include production from the high grade Stage 2 open pit.
- Doray's exploration strategy is focussed on mine life extension at Andy Well and regional exploration opportunities:
  - Northern Murchison – Exploration targeted within 80km of the Andy Well Project, including the new lodes discovered at Judy and Suzie, as well as additional drilling beneath the Wilber Lode which has indicated the continuation of mineralisation 200m below the extent of previous drilling and the current planned mining depth. Other

<sup>4</sup> Mutiny Foreign Securityholders will be provided with the cash proceeds of sale in accordance with the process set out in sections 10.10 and 11.10 of this Bidder's Statement.

<sup>5</sup> Based on the number of Mutiny Shares and Doray Shares and Mutiny Options that were 'in-the-money' as at the date of the announcement of the Offers. The actual percentage interest that Mutiny Securityholders will hold in the Combined Group will depend upon the extent to which Mutiny Options and Doray Options (including any Doray Options issued under the Option Offers) are exercised.

- satellite deposit potential exists within the nearby Abbots and Meeka East Projects, as well as the Gnaweeda Project in which Doray is in the process of acquiring an 88% interest.
- Horse Well Joint Venture – Doray is in the process of farming-in to acquire up to an 80% interest in the Horse Well Project which covers over 50km of strike of the Millrose Greenstone Belt in the north-eastern Goldfields of Western Australia.
  - South Australia – Doray holds a significant land package within South Australia, and has recently entered into a farm-in agreement with Iluka Resources Ltd in respect to the right to explore for gold over a 21,000km<sup>2</sup> project area in the Central and Western Gawler Craton in South Australia.
  - Doray's board, management, mining and technical teams bring a proven track record of exploration, mine development and disciplined operating capabilities, which is expected to enhance the value of the Deflector Project and reduce the risks associated with its development. Doray commenced mining at its Andy Well mine approximately 3.5 years after the initial discovery, and is well placed to leverage off this experience in developing Mutiny's Deflector Project.

Further, the potential benefits for the Combined Group include:

<b>Creation of a Mid-Tier Gold Company</b>	<p>The Combined Group will have operational flexibility from two high-grade production centres - Andy Well in the northern Murchison district and the Deflector Project in the southern Murchison district of Western Australia – which combined are forecast to produce around 160,000 gold equivalent ounces per year once Deflector is commissioned<sup>6</sup>.</p> <p>The future production potential will be supported by a combined Mineral Resource base in excess of 1 million ounces of gold at a grade of 7.7g/t plus 27Kt of copper at a grade of 0.9%.<sup>7</sup></p>
<b>Financial Strength</b>	<p>The Combined Group's enlarged size and balance sheet is expected to:</p> <ul style="list-style-type: none"> <li>• improve access to future development funding at a lower cost than what Mutiny could achieve on its own; and</li> <li>• provide the Combined Group with the flexibility to support near term project funding and accelerate exploration and development activities.</li> </ul>
<b>Diversified Exploration Portfolio</b>	<p>The Combined Group will have:</p> <ul style="list-style-type: none"> <li>• a dual production and development strategy focussed on gold, supplemented with copper as the Deflector Project comes on stream; and</li> <li>• the ability to optimise the exploration spend across the Combined Group's significant exploration portfolio, with projects in the Murchison region of Western Australia, and the Central and Western Gawler Craton in South Australia.</li> </ul>

<sup>6</sup> Any development decision relating to Deflector would be subject to prevailing market conditions, the timing for successfully completing the Offers and the results of the strategic review proposed to be conducted by Doray following completion of the Offers. Pro-forma forecast gold production for the Combined Group has been based on the internal mine plans for Doray and Mutiny. Production forecasts are subject to risk factors associated with developing, mining and processing including, amongst others, variations in grade, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment, permit approvals, labour force disruptions, adverse weather conditions, geopolitical risks and landowner relations. Forecast gold production for the Deflector project is also subject to risks relating to the financing and development of that project.

<sup>7</sup> For further information, refer to sections 1, 3 and 5 of this Bidder's Statement.

### 3. Enhanced scale, market presence and increased funding capability

The Combined Group is expected to benefit from enhanced scale and increased market presence as a leading mid-tier Western Australian high-grade gold producer, filling a growing investment void in the ASX-listed gold sector. The Combined Group has an attractive portfolio of complementary high-grade production, development and exploration assets in the Murchison gold mining district of Western Australia.

The increased scale, when compared to other ASX-listed Australian gold companies, together with the Combined Group's balance sheet, should:

- increase the Combined Group's market relevance amongst both investors and the analyst community; and
- provide for improved flexibility to fund the development of the Deflector Project and pursue other potential growth opportunities.

The Combined Group's enlarged size should provide improved access to debt and equity markets at a lower cost than what Mutiny could achieve on a standalone basis and have more funding flexibility to optimise funding of the development of the Deflector Project.

Doray intends to continue to pursue the necessary project development activities, including advancing optimal financing solutions, required to progress the Deflector Project to production as soon as possible.

### 4. A substantial premium to pre-announcement prices

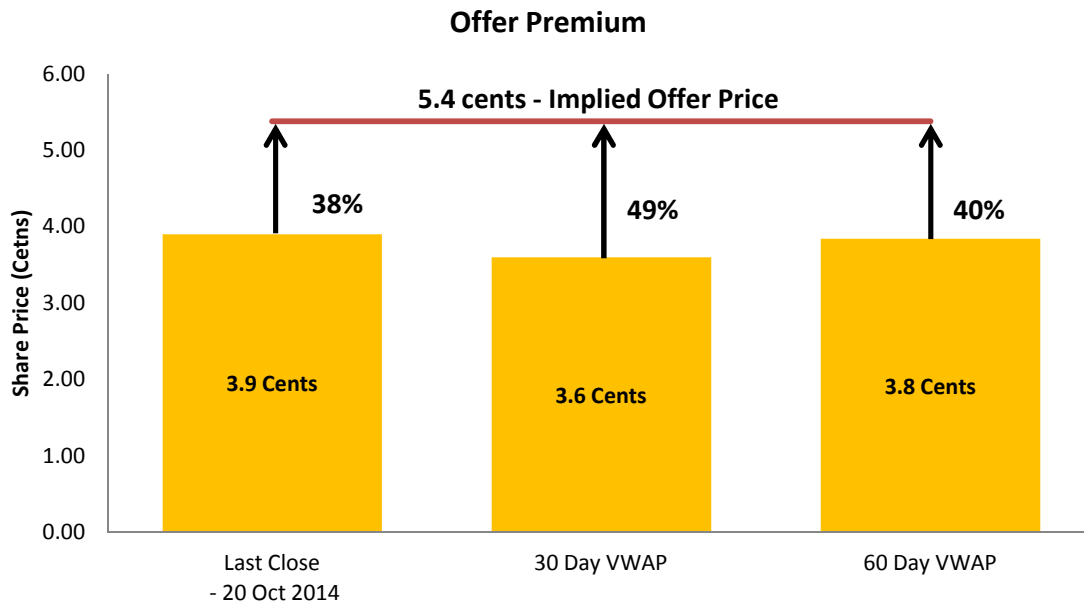
Under the Share Offer, Mutiny Shareholders will receive 1 new Doray Share for every 9.5 Mutiny Shares held.

Using the 5-day VWAP of Doray Shares up to and including 20 October 2014 (the last full trading day prior to Mutiny requesting a halt to trading in Mutiny Shares on ASX) of A\$0.51 per share, the Share Offer values Mutiny at approximately A\$36 million or 5.4 cents per share, representing a:

- 38% premium to Mutiny's closing share price of 3.9 cents on 20 October 2014
- 49% premium to Mutiny's 30 day VWAP of Mutiny Shares of 3.6 cents<sup>8</sup>
- 40% premium to Mutiny's 60 day VWAP of Mutiny Shares of 3.8 cents<sup>8</sup>

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<sup>8</sup> VWAP of Mutiny Shares has been calculated for the relevant period up to the close of trading on the ASX on 20 October 2014, the last full trading day prior to Mutiny requesting a halt to trading in Mutiny shares on ASX. The implied value of the Offers will change with fluctuations in the Doray Share price. Mutiny Shareholders should obtain up to date quotes on the price of Doray Shares and Mutiny Shares from their financial adviser, or from [www.asx.com.au](http://www.asx.com.au).



Source: IRESS. As permitted by ASIC Class Order 07/429, this chart contains ASX share price trading information sourced from IRESS Limited without its consent.

Since the announcement of the Offers there has been considerable volatility in the gold sector generally, with the US\$ gold price currently hovering around four year lows, Australian gold equities down approximately 11% and the Doray Share price down approximately 40%. As at 14 November 2014, the last practicable date prior to the finalisation of this Bidder's Statement, the Share Offer valued each Mutiny Share at 3.2 cents per share.<sup>9</sup> The implied value of the Offers will continue to fluctuate with movements in the Doray Share price.

## 5. Mutiny's share price is likely to fall if the Offers are unsuccessful

Since the Offers were announced, Mutiny Shares have traded at a level that reflects the implied value of the Share Offer.

If the Offers are not successful and an alternative Third Party Proposal does not emerge, the Mutiny Share price may decline and may trade below the implied value of the Share Offer. The price of Mutiny Listed Options may also decline in this scenario.

In such circumstances, the current market conditions and volatility in the gold sector may make it challenging for Mutiny to successfully finance the equity component of the development costs associated with its Deflector Project on a stand-alone basis, with any such equity raising likely to be dilutive to existing Mutiny Shareholders who do not participate in that raising.

Doray's Share Offer mitigates this funding risk whilst enabling Mutiny Shareholders to continue to participate in the future upside of the Deflector Project through being a shareholder of the Combined Group.

Further, in the event that the Offers are not successful, Mutiny will need to repay amounts drawn down under a A\$3 million facility which Doray has made available to fund pre-development activities associated with the Deflector Project in accordance with an approved budget.

<sup>9</sup> Based on the closing price of Doray Shares on ASX on 14 November 2014 of A\$0.30 per share.



## 6. You may be eligible for Australian capital gains tax relief

If, as a result of the Share Offer, Doray becomes the holder of 80% or more of the voting shares in Mutiny, Mutiny Shareholders who would otherwise make a capital gain from the disposal of their Mutiny Shares pursuant to the Share Offer may be entitled to capital gains tax scrip-for-scrip rollover relief. Such rollover relief, if available, will allow those eligible Mutiny Shareholders to disregard any capital gain, in whole or in part, that would otherwise arise in respect of the disposal of their Mutiny Shares by way of acceptance of the Share Offer.

Capital gains tax scrip-for-scrip rollover relief may also be available to Mutiny Optionholders who would otherwise make a capital gain from the disposal of their Mutiny Listed Options pursuant to the Option Offer.

Please refer to **section 7** of this Bidder's Statement for further information in relation to the availability of capital gains tax roll-over relief and taxation considerations generally for Australian tax and non-Australian residents.

## SUMMARY OF THE OFFERS

The information set out in this section is a summary of the Offers and should be read in conjunction with the detailed information contained in this Bidder's Statement.

You should read this Bidder's Statement and Mutiny's Target's Statement in their entirety before deciding whether to accept the Offers made to you.

Question	Answer	Further information
<b>What is Doray offering to buy?</b>	<p>Doray is offering to buy all of your Mutiny Shares on the terms set out in this Bidder's Statement.</p> <p>This includes any Mutiny Shares that are issued during the Offer Period as a result of the exercise of Mutiny Options, or as a result of the vesting of a portion of the Mutiny Performance Rights proposed to be granted if approved by Mutiny Shareholders at Mutiny's upcoming annual general meeting.</p> <p>Doray is also offering to buy all of your Mutiny Listed Options on the terms set out in this Bidder's Statement.</p> <p><b>You may only accept the Share Offer for all the Mutiny Shares you own, and the Option Offer for all the Mutiny Listed Options you own.</b></p>	Refer to <b>section 10</b> for the Share Offer and <b>section 11</b> for the Option Offer.
<b>What will you receive if you accept the Share Offer?</b>	If you accept the Share Offer in respect of your Mutiny Shares and that Share Offer becomes or is declared unconditional, you will receive 1 new Doray Share for every 9.5 Mutiny Shares that you own. <sup>10</sup>	Refer to <b>section 10.1</b>
<b>What will you receive if you accept the Option Offer?</b>	If you accept the Option Offer in respect of your Mutiny Listed Options and that Option Offer becomes or is declared unconditional, you will receive 1 new Doray Listed Option for every 9.5 Mutiny Listed Options that you own. <sup>10</sup>	Refer to <b>section 11.1</b>
<b>How do you accept the Offers?</b>	<p><b>Issuer sponsored security holders</b></p> <p>If your Mutiny Securities are registered in an Issuer Sponsored Holding (such holdings will be evidenced by an 'I' appearing next to your holder number on the accompanying Acceptance Form(s)), to accept the Offers, you must complete and sign the Acceptance Form(s) accompanying this Bidder's Statement in relation to the Offers made to you and return that form or forms in the supplied envelope or post it to the address specified on the form so that it is received before the Offers close.</p> <p><b>CHESS security holders</b></p> <p>If your Mutiny Securities are registered in a CHESS Holding (such holdings will be evidenced by an 'X' appearing next to your holder number on the accompanying Acceptance Form), you may accept the Offers by either:</p> <ul style="list-style-type: none"> <li>• completing and signing the relevant Acceptance Form(s) accompanying this Bidder's Statement in</li> </ul>	Refer to <b>section 10.6</b> for the Share Offer and <b>section 11.6</b> for the Option Offer.

<sup>10</sup> If you are a Foreign Securityholder, you should refer to the 'What if you are a Foreign Securityholder' question below.

Question	Answer	Further information
	<p>relation to the Offers made to you and returning that form or forms in the supplied envelope to the address specified on the form; or</p> <ul style="list-style-type: none"> <li>instructing your Controlling Participant (normally your broker) to accept the Offers made to you on your behalf, in sufficient time for that acceptance to be processed before the Offers close.</li> </ul> <p><b>Participants</b></p> <p>If you are a Participant, acceptance of the Offers must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for that acceptance to be processed before the Offers close.</p>	
<b>If you accept the Offers, when will you receive the relevant Doray Securities?</b>	<p>If you validly accept the Offers made to you, Doray will generally issue the relevant Doray Securities to you under those Offers on or before the earlier of:</p> <ul style="list-style-type: none"> <li>one month after the date of your acceptance or one month after the Offers become or are declared unconditional (whichever is later); or</li> <li>21 days after the end of the Offer Period.</li> </ul> <p>Foreign Securityholders will be provided with the net cash proceeds of sale to which they are entitled under the Offers in accordance with <b>sections 10.10</b> and <b>11.10</b>.</p>	Refer to <b>section 10.9</b> , for the Share Offer and <b>section 11.9</b> for the Option Offer.
<b>Can you accept the Offers for a portion of your holding?</b>	No. You may only accept the Share Offer for ALL the Mutiny Shares you own and the Option Offer for ALL the Mutiny Listed Options you own.	Refer to <b>section 10.6</b> , for the Share Offer and <b>section 11.6</b> for the Option Offer.
<b>What if you are a Foreign Securityholder?</b>	<p>If you reside outside of Australia, New Zealand, Singapore and the United Kingdom, you may be considered to be a Foreign Securityholder and will not receive Doray Shares or Doray Listed Options (as applicable) under the Offers.</p> <p>Instead, Foreign Securityholders who accept the Offers will be paid the net cash proceeds of the sale by the Sale Nominee of those Doray Shares or Doray Listed Options that you would otherwise have been entitled to in respect of the Offers.</p>	Refer to <b>section 10.10</b> for the Share Offer and <b>section 11.10</b> for the Option Offer.
<b>When will the Offers close?</b>	The Offers are scheduled to close at 7.00pm (Sydney time) on 23 December 2014 unless the Offers are extended or withdrawn.	Refer to <b>section 10.3</b> for the Share Offer and <b>section 11.3</b> for the Option Offer.
<b>Can Doray extend the time at which the Offers are to close?</b>	<p>Yes. Doray can extend the Offer Period in accordance with the Corporations Act.</p> <p>However, Doray has agreed with Mutiny that it will not extend the Offer Period beyond 28 April 2015 unless Doray has obtained a Relevant Interest in at least 50.1% of the Mutiny Shares prior to that time or the prior written consent of Mutiny has been obtained.</p>	Refer to <b>section 10.3</b> for the Share Offer and <b>section 11.3</b> for the Option Offer.

Question	Answer	Further information
<b>Are the Offers subject to conditions?</b>	<p>Yes, both the Share Offer and the Option Offer are subject to a number of conditions, including:</p> <ul style="list-style-type: none"> <li>• a 90% minimum acceptance condition in relation to Mutiny Shares;</li> <li>• a 90% minimum acceptance condition in relation to Mutiny Options;</li> <li>• compliance with certain restrictions on Mutiny's conduct of business;</li> <li>• no material adverse change in relation to Mutiny;</li> <li>• no breach of representations or warranties provided in the Bid Implementation Agreement;</li> <li>• no 'prescribed occurrences'; and</li> <li>• no termination of the Bid Implementation Agreement in certain circumstances.</li> </ul> <p>If any of the conditions of the Offer made to you are not satisfied or waived by the end of the Offer Period, then that Offer will lapse, your acceptance will be void and you will retain your relevant Mutiny Securities.</p>	Refer to <b>section 10.11</b> for the Share Offer and <b>section 11.11</b> for the Option Offer.
<b>Can Doray waive the conditions to the Offers?</b>	<p>Yes, Doray is generally free to decide to waive any of the conditions to the Share Offers and any of the conditions to the Options Offer.</p> <p>However, Doray has agreed with Mutiny that it will not waive:</p> <ul style="list-style-type: none"> <li>• the minimum acceptance condition for Mutiny Shares unless it has acquired a Relevant Interest in at least 50.1% of Mutiny Shares or the prior written consent of Mutiny has been obtained; or</li> <li>• the condition that Mutiny has not terminated the Bid Implementation Agreement in certain circumstances, unless the prior written consent of Mutiny has been obtained.</li> </ul>	Refer to <b>section 10.14</b> for the Share Offer and <b>section 11.14</b> for the Option Offer.
<b>What happens if the conditions of the Offers are not satisfied?</b>	<p>If the conditions of the relevant Offers made to you are not satisfied or otherwise waived by the end of the Offer Period, then those Offers will lapse and any acceptances received for those Offers will be void.</p> <p>In those circumstances, you will continue to hold your Mutiny Securities and be free to deal with them as if the Offers had not been made.</p>	Refer to <b>section 10.16</b> for the Share Offer and <b>section 11.16</b> for the Option Offer.
<b>Can you withdraw your acceptance of the Offers?</b>	<p>No. You will not be able to withdraw your acceptance of the Offers unless a right to withdraw arises under the Corporations Act.</p> <p>A withdrawal right will arise if, after you accept the Offers, the Offers remain subject to conditions and Doray varies the Offers in a way that postpones the time that Doray has to meet its obligations under the Offers for more than one month (for example, if Doray extends the Offers for more than one month while the Offers made to you remain subject to conditions).</p>	Refer to <b>section 10.8</b> for the Share Offer and <b>section 11.8</b> for the Option Offer.

Question	Answer	Further information
<b>What happens if you do not accept the Share Offer or the Option Offer?</b>	<p>In those circumstances, you will remain a Mutiny Securityholder.</p> <p>If Doray becomes entitled to compulsorily acquire your Mutiny Securities, it will proceed with the compulsory acquisition. If this happens, you will still receive the consideration under the Offers, but you will receive the consideration sooner if you accept the Offers rather than having your Mutiny Securities compulsorily acquired.</p>	<p>Refer to <b>sections 6.2</b> and <b>6.3</b> for information regarding Doray's intentions if Mutiny becomes a controlled entity.</p>
<b>Where you should go for more information</b>	<p>For further information on how to accept the Offers made to you, please see the enclosed Acceptance Forms.</p> <p>For all queries in relation to the Offers, please contact the Doray Information Line on +61 8 6140 7422 between 9.00am and 5.00pm (Perth time) Monday to Friday. Please note that any calls to this number may be recorded.</p>	

# 1. Profile of Doray

## 1.1. Overview of Doray

Doray is the entity making the Offers.

Doray is an Australian incorporated, ASX-listed, gold producer. Doray was incorporated as an Australian public company in August 2009 and was admitted to the official list of ASX on 4 February 2010 (ASX: DRM).

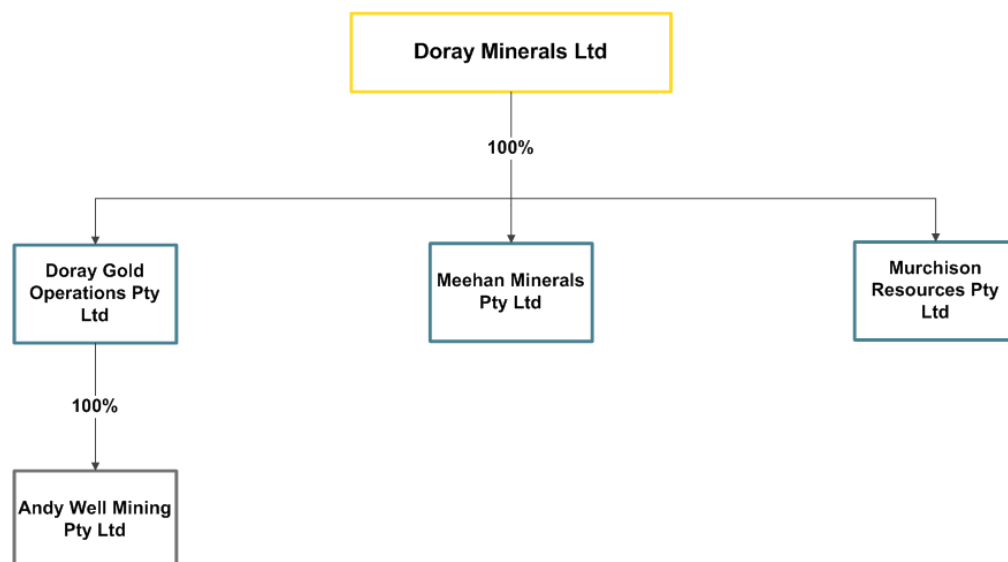
Doray's main project is its 100% owned Andy Well Project, located 45km north of Meekatharra, in the Murchison region of Western Australia. Doray commenced production at Andy Well in August 2013, approximately 3.5 years after the initial discovery, and met its first year production and cost guidance by producing 76,785 ounces of gold at a 10.8g/t head grade, with an average operating cash cost (C1) of A\$522 per ounce (and an all-in sustaining cost or AISC of A\$1,044 per ounce), for the financial year ended 30 June 2014. The Andy Well Project recently produced its 100,000<sup>th</sup> ounce of gold, which comes approximately fourteen months after the commencement of production in August 2013.

Doray also has a portfolio of gold exploration properties covering approximately 4,000km<sup>2</sup> in Western Australia and South Australia. Doray is actively exploring in the northern Murchison region of Western Australia for additional near-term development opportunities for its Andy Well Project. In addition, Doray continues to explore for large, stand-alone development opportunities over its exploration portfolio.

Doray is listed on ASX under the code 'DRM' and has a diverse shareholder base of approximately 3,100 shareholders. As at 14 November 2014 (being the last date practicable before finalising this Bidder's Statement), Doray had a market capitalisation of approximately A\$50 million.

## 1.2. Structure and ownership of Doray

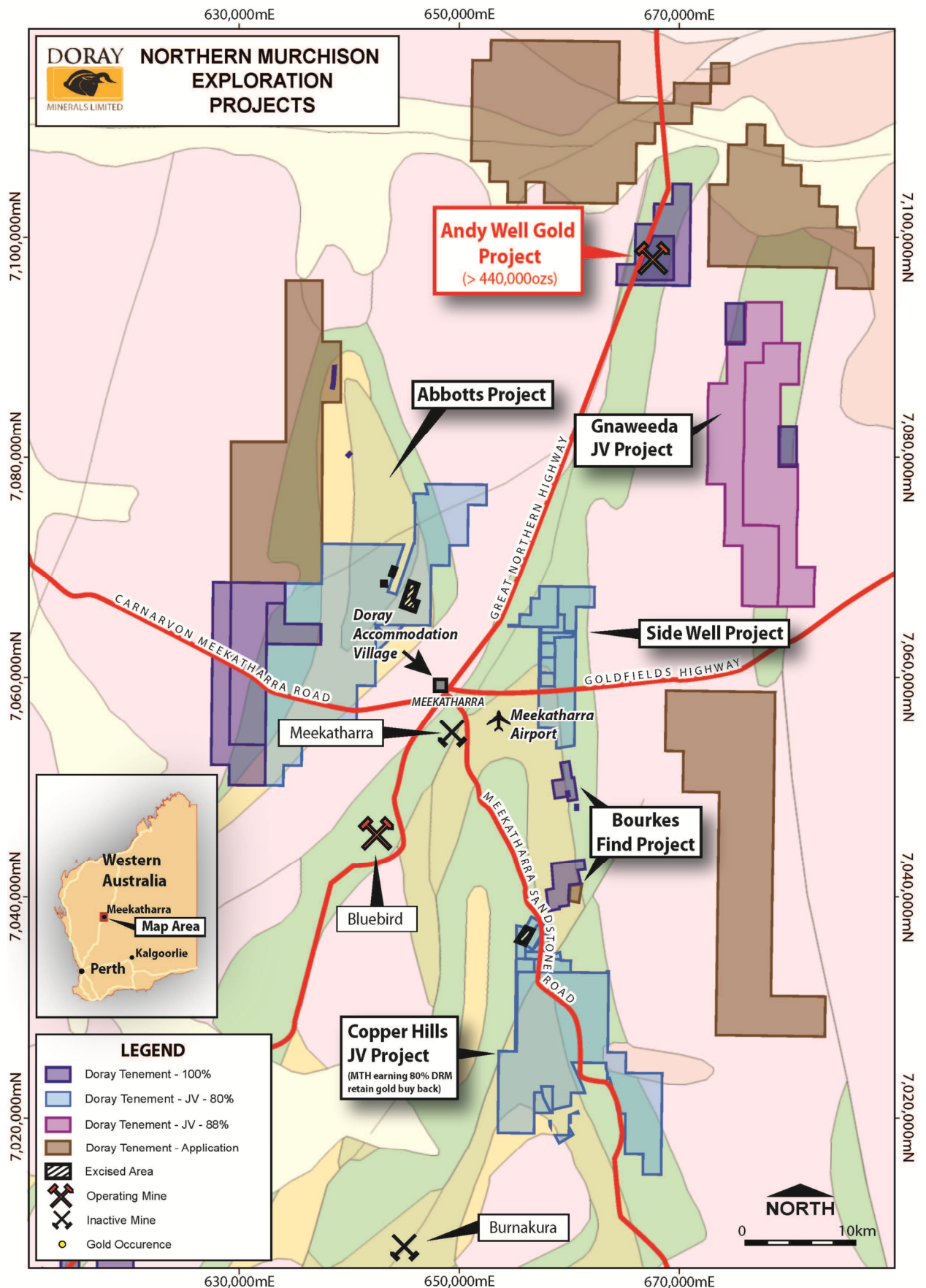
An overview of the corporate structure of Doray is set out below.



See **section 2.2** of this Bidder's Statement for a list of the substantial shareholders of Doray.

## 1.3. Doray's Andy Well Project (100%)

Doray's key asset is its 100% owned Andy Well Project, located approximately 45km north of Meekatharra, in Western Australia's northern Murchison region. It is the first new commercial gold operation in the Murchison region in over 10 years.



Source: Doray

Doray commenced mining and site works at Andy Well in November 2012 with first gold production in August 2013, approximately 3.5 years after the initial discovery of the high-grade Wilber Lode gold deposit in March 2010.

Mining at Andy Well involves a combination of open pit and underground mining methods. Doray has completed mining Stage 1 of the open pit and has now progressed with underground development and stoping of both the northern and southern panels of the Wilber Lode, as well as preparing for mining of the Stage 2 open pit cut-back during the 2015 financial year.

The processing plant at Andy Well is a conventional CIP/CIL gold processing plant designed to treat up to 25 tonnes of primary underground ore per hour. The plant comprises of a primary and secondary cone crusher, a fine ore bin with emergency overspill allowing the mill to be fed if the fine ore bin is empty, a 500kW ball mill, a gravity circuit, a leaching circuit, an Acacia reactor and electrowinning cells, with calcining and smelting to produce gold doré on site. Doray has had an excellent safety record at Andy Well, with no lost time injuries being recorded in over 12 months.

The processing plant at Andy Well was debottlenecked during the 2014 financial year and proved to be capable of being operated at up to 38 tonnes per hour. This additional capacity is sufficient to treat more tonnes if required to ensure that gold production can be achieved even if the geometry of the narrow high grade orebodies varies in width so as to result in more dilution during stoping.

During the 2014 financial year, a total of 225,433 tonnes of ore was milled at a head grade of 10.8g/t for a total production of 76,785 ounces of gold. Due to the high grades, the mine had low operating cash costs (C1) of A\$522 per ounce and all-in sustaining costs of A\$1,044. The Wilber Lode over-reconciled on ounces recovered and has consistently achieved gravity recoveries in excess of 75% and total recoveries in excess of 98%.

During the quarter ended 30 September 2014, a record total of 73,835 tonnes of ore was milled at a head grade of 7.82g/t for a total production of 18,265 ounces of gold. During that period, the mine had operating cash costs (C1) of A\$773 per ounce and all-in sustaining costs of A\$1,384 per ounce. The increase in costs primarily results from the mining of lower grade material from underground. It is expected that this increase in cost will be partially offset during the second half of the 2015 financial year by mining and processing of high-grade ore from the Stage 2 open pit.

Doray has updated its geological model to incorporate the experience of the thickness and grade variability and underground engineering conditions encountered during the first year of production at Andy Well. The revised mine plan takes into account the increased milling capacity achieved through the debottlenecking of the processing plant. Recent additions to the underground mining Ore Reserve at Andy Well, through the discovery and evaluation of the adjacent Judy orebody, have resulted in an extension to the planned life of mine. Capital mining works to access the Judy orebody are expected to commence at the end of the 2015 financial year.

Doray expects gold production for 2015 financial year to be in the range of 77,000 to 85,000 ounces, including approximately 14,000 ounces expected to be sourced from the Stage 2 open pit. Operating cash costs (C1) for the same period are expected to be between A\$700 to A\$800 per ounce.

### ***Exploration activities at Andy Well***

Doray believes there is upside potential to the Andy Well Project through converting existing Mineral Resources into Ore Reserves, through future increases to the current Andy Well Mineral Resource base and through additional discoveries in the region.

Doray has successfully demonstrated that the Andy Well Project has the potential to host multiple deposits, through the discovery of both the Judy and Suzie zones.

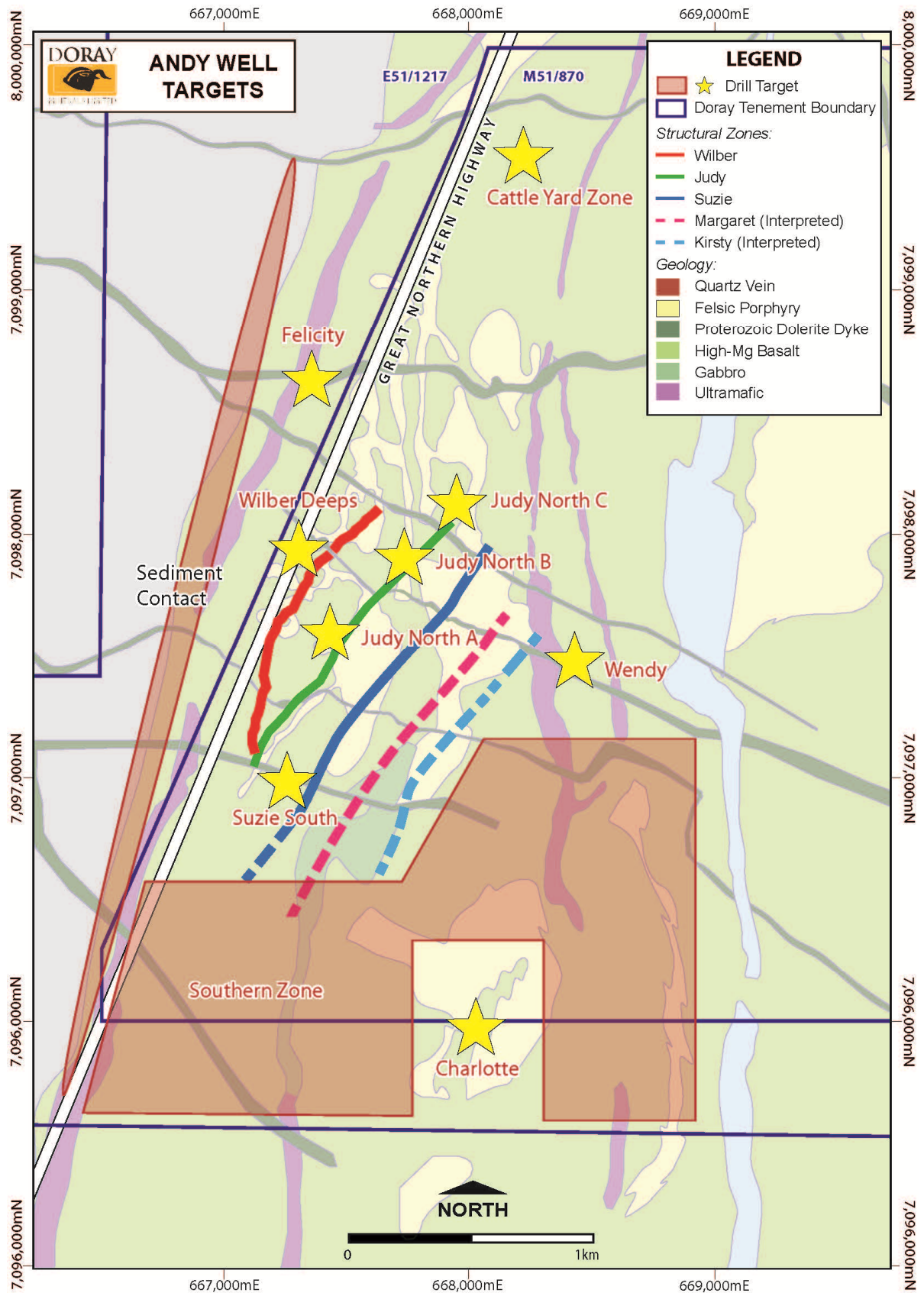
The Judy zone, which is located immediately south of and parallel to the Wilber Lode, was discovered in January 2011, and is a second high-grade quartz-hosted gold lode. In August 2014, Doray announced an increase in the Mineral Resource, and a maiden high-grade Ore Reserve, for the Judy Lode deposit. The maiden Judy Probable Ore Reserve totals 203,000 tonnes at 8.8g/t for 58,000 ounces of gold, which effectively replaces the first year of underground production at the Wilber Lode.

Doray's Board believes that there is further potential to extend the mine life at Andy Well with additional exploration success.

Doray's approach is to drill test prospective structures at Andy Well using suitable methods. Due to the narrow nature of these deposits and lack of geochemical dispersion, ongoing compilation of all exploration and mining geological data is undertaken to highlight and refine near mine



targets in the Andy Well corridor. This work has been used to define a series of parallel targets to Wilber and Judy, including the Suzie, Kirsty and Margaret zones, which are the subject of future exploration activities. These targets are interpreted as structures similar to those which host Wilber and Judy, within the same basalt and porphyry host sequence, with demonstrated gold mineralisation from historic and recent regional shallow drilling campaigns.



Source: Doray

### Andy Well Mineral Resources and Ore Reserves

Doray has updated its Andy Well Mineral Resource and Ore Reserve as at 30 June 2014, increasing the Mineral Resource inventory by 75,000 ounces and effectively replacing the then depletion that had resulted since the commencement of mining in November 2012.

The Mineral Resources and Ore Reserves at Andy Well as at 30 June 2014 are shown in the tables below. All Doray Mineral Resources and Ore Reserves are stated in accordance with the JORC Code 2012.

Mineral Resources	Measured			Indicated			Inferred			Total		
	Tonnes	Au g/t	Au Ounces	Tonnes	Au g/t	Au Ounces	Tonnes	Au g/t	Au Ounces	Tonnes	Au g/t	Au Ounces
Wilber	89,000	23.2	67,000	369,000	15.1	179,000	203,000	10.5	68,000	662,000	14.8	314,000
Judy	-	-	-	405,000	7.6	99,000	206,000	4.1	27,000	611,000	6.4	126,000
Total Mineral Resource	89,000	23.2	67,000	774,000	11.2	277,000	409,000	7.3	95,000	1,273,000	10.8	440,000

**Note:** Wilber Lode reported above a 0.1g/t Au, Judy Lode reported above 0.0g/t Au. Upper cut-off grades vary, and are documented in previously announced JORC 2012 tables (Wilber – ASX announcement on 25 September 2014; Judy – ASX announcement on 6 August 2014). Rounding errors may occur. All Mineral Resources are inclusive of those used to determine Ore Reserves.

Ore Reserves	Proved			Probable			Total		
	Tonnes	Au g/t	Au Ounces	Tonnes	Au g/t	Au Ounces	Tonnes	Au g/t	Au Ounces
Wilber – Open Pit Stage 2	-	-	-	28,000	15.3	14,000	28,000	15.3	14,000
Wilber – Underground	-	-	-	566,000	8.2	148,000	566,000	8.2	148,000
Judy – Underground	-	-	-	203,000	8.8	58,000	203,000	8.8	58,000
Total Ore Reserves	-	-	-	797,000	8.6	220,000	797,000	8.6	220,000

**Note:** Open Pit Ore Reserves are based on a nominal 1.4g/t Au lower cut-off grade. Rounding errors may occur. Wilber Ore Reserve details can be found in ASX announcement on 25 September 2014. Judy Ore Reserve details can be found in the ASX announcement on 6 August 2014.

The information contained in the table above that relates to Doray's Mineral Resources and Ore Reserves is a compilation of previously published data for which competent persons' consents were obtained. Those consents remain in place for subsequent releases by Doray of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in the tables above have been extracted from the Doray ASX announcements on 6 August 2014 (in relation to the Judy zone) and 25 September 2014 (in relation to the Wilber Lode) and is available on the Doray 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 relevant market announcements referred to above and that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed. Doray confirms that the form and context in which the competent persons' findings are presented have not been materially modified from the original market announcements referred to above.

#### 1.4. Doray's other activities and assets

In addition to the Andy Well Project, Doray has a portfolio of other exploration assets, including:

- **Northern Murchison:** Doray is actively working to identify opportunities to define additional Mineral Resources within trucking distance of the Andy Well processing plant, including seeking joint venture or acquisition opportunities.

Pursuant to this strategy, Doray announced in July 2014 that it had entered into an agreement to acquire an 88% interest in the Gnaweeda Project located approximately 10km from the Andy Well Project, with the right to earn up to 100% of the project. Several existing prospects have been identified and will be targeted in the near term with a view to delineating potential satellite mining operations for the Andy Well Project.

Doray also has a number of projects in the northern Murchison region of Western Australia, including Abbots and Meeka East.

- **Horse Well Joint Venture (Doray earning up to 80%):** Doray has entered into a binding heads of agreement with Alloy Resources Limited (ASX:AYR) (**Alloy**) to earn up to an 80% interest in Alloy's Horse Well Project in the Millrose Greenstone Belt, approximately 100km to the north-northeast of Wiluna, Western Australia.

Under the agreement, Doray has agreed to incur A\$900,000 of non-withdrawal expenditure in the 12 months from commencement of the joint venture in May 2014. Doray will manage the joint venture with limited initial field input from Alloy. Doray can acquire a 60% interest in the project by spending a further A\$1 million in the 24 months following commencement, and acquire up to an 80% interest by spending a further A\$2 million in the 36 months following commencement. Alloy has the option of contributing pro-rata to expenditure once Doray has reached its 60% interest or dilute. Alloy must contribute its share of joint venture expenditure once a pre-feasibility study has been completed or dilute to a 1% net smelter royalty using an industry standard formula.

As announced on 10 September 2014, drilling at Horse Well has intersected a gold mineralised structure at the Dusk til Dawn prospect, located at the northern end of the Millrose Belt close to the onlap of the Proterozoic Earaheedy Basin. This prospective greenstone sequence is predominantly under cover and forms an eastern arm of the Yandal Belt. Doray has completed a regional scale aircore drilling programme to test along the length of the granite contact in order to locate any mineralisation hosted within the identified structural corridor, and a follow-up drilling campaign has recently commenced. Results received from this programme are encouraging, with follow-up drilling being planned.

- **Central and Western Gawler, South Australia:** Doray holds a land position of approximately 3,600km<sup>2</sup> within the Central Gawler Gold Province. Exploration is continuing on Doray's Central Gawler projects.

As announced on 17 November 2014, Doray has entered into a conditional farm-in agreement with Iluka Resources Ltd to explore its Central and Western Gawler Craton tenement portfolio in South Australia. Under the farm-in agreement, Doray will have the right to earn up to 80% of any 'gold resources' (being those Mineral Resources where the economic value of gold within the Mineral Resource is greater than 80% of the total economic value of the Mineral Resource) discovered within the project area, with Iluka retaining rights to discoveries of other commodities (unless it elects not to do so). The farm-in project area comprises approximately 21,000km<sup>2</sup>.

Under the farm-in agreement, Doray has agreed to spend A\$1 million in the first year to earn a 20% interest in any 'gold resources'. Doray cannot withdraw prior to incurring such expenditure. Doray can earn up to an aggregate 80% interest in any 'gold resources' by spending a total of A\$7 million at any point during a maximum six year farm-in period, at which time a formal joint venture will be established. If Doray elects to withdraw prior to spending a total of A\$7 million before the expiry of this six year period, Doray forfeits all of its interest and retains no residual rights. The farm-in agreement is conditional on obtaining the requisite government approvals.

Doray has agreed to free carry Iluka through to a decision to mine on any 'gold resource' discovered during the period of the joint venture. Should Iluka elect not to contribute to the development of a 'gold resource' following a decision to mine, Iluka's joint venture interest in the 'gold resource' will dilute using an industry standard formula. If Iluka's joint venture interest dilutes below 5%, Iluka's interest in that 'gold resource' will dilute to a 2% net smelter royalty on all precious metals and base metals produced from the 'gold resource' the subject of the joint venture. Iluka has the option to retain a 100% interest in non-gold resources on the project area. If Iluka does not make that election, the non-gold resource will be treated as a 'gold resource' for the purposes of the joint venture.

## 1.5. Directors of Doray

The profiles of the Doray Directors as at the date of this Bidder's Statement are set out below.

- **Peter Alexander, ASS APPL Geol – Non Executive Chairman, member of the audit and remuneration committees:** Mr Alexander is a geologist by profession and has over 30 years of experience in mineral exploration and mining in Australia and overseas. Mr Alexander was Managing Director and Chief Executive Officer of Dominion Mining Ltd

from 1997 until his retirement in January 2008, at which time he continued as a Non-Executive Director until the takeover by Kingsgate Consolidated in 2010.

Mr Alexander managed the start-up and operation of Dominion's Challenger gold mine in South Australia and, under his management, Dominion won the Gold Mining Journal's "Gold Miner of the Year" three years in succession. Mr Alexander is currently a Non-Executive Director of Kingsgate Consolidated Limited, Caravel Minerals Limited and Fortunis Resources.

- **Allan John Kelly, BSc (Hons), Grad Cert Bus, FAAG MAIG – Managing Director:** Mr Kelly graduated from Curtin University with an honours degree in geology and has over 20 years' experience in mineral exploration geology, geochemistry and project management throughout Australia and the Americas.

Prior to successfully listing Doray Minerals Limited as Managing Director and major shareholder, Mr Kelly was directly involved in the targeting and early stage exploration of a number of gold, nickel, IOCG and uranium properties in Australia, Alaska and Canada and previously held senior exploration positions with WMC and Avoca Resources Ltd from its inception in 2002. Since Doray's listing on the ASX in early 2010, Mr Kelly has guided Doray through its initial exploration success, various capital raisings and towards development and production from the high grade Andy Well Project. He first worked at Andy Well with WMC in the mid 1990's and, in 2009, had the opportunity to negotiate terms on several former WMC properties in the Murchison, including Andy Well, as part of Doray's listing.

Mr Kelly was recipient of the Association of Mining and Exploration Companies "Prospector Award" in 2014. Mr Kelly is a Fellow and former Councillor of the Association of Applied Geochemistry, a member of the Australian Institute of Geoscientists and currently sits on the Executive Council of the Association of Mining and Exploration Companies.

- **Peter Lester, BEng (Mining – Hons), MAICD, MAusIMM – Non-Executive Director:** Mr Lester is a mining engineer with 40 years' experience in the mining industry in various roles. These include construction, project and mine management, corporate and financial advisory services and in business development roles with responsibility for strategic planning and corporate development. After 11 years at Mt Isa, Mr Lester held operating positions at Phosphate Hill and was Construction Manager for ore handling upgrades at Broken Hill. A period of stock broking followed before he then moved to senior executive positions with North Ltd, Newcrest Mining Limited, Oxiana / OZ Minerals Limited and most recently with Citadel Resources Group Ltd as an Executive Director. In the latter three roles, Mr Lester's focus was on growth, including new project assessment, capital raising, acquisitions, mergers (including divestments and IPO's) and corporate defence. Mr Lester is currently a company director on several mining boards.

Mr Lester is currently a non-executive Director of Nord Gold NV, White Rock Minerals Ltd, Chesser Resources Ltd, Toro Energy Ltd and Accessio Resources Pty Ltd.

- **Jay Richard Stephenson, MBA, FCPA, CMA, FCIS, MAICD – Non-Executive Director, chair of the audit committee:** Mr Stephenson has been involved in business development for over 20 years including approximately 17 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

Mr Stephenson is currently Chairman of Quintessential Resources Limited, Non-Executive Director of Drake Resources Limited, Strategic Minerals Corporation NL, Nickelore Limited, and Parmelia Resources Limited as well as Company Secretary for a number of ASX-listed resource and industrial companies. Mr Stephenson was previously a director of Parker Resources Limited, Spencer Resources Limited and Aura Energy Limited.

- **Leigh Stanley Junk, Dip Surv, GDip Min Eng, MSc Min Econ – Non-Executive Director, member of the audit and remuneration committees:** Mr Junk is a Mining Engineer with 22 years experience. He was the executive responsible for project

evaluation, feasibility studies, production scheduling and mine design with several mining companies throughout Western Australia, including Pilbara Manganese Pty Ltd, WMC Resources Ltd and Mincor Operations Pty Ltd. Mr Junk started his own mining company Donegal Resources Pty Ltd in 2000 which was successful in purchasing and recommissioning several Nickel operations in Kambalda W.A. The company was later sold to Canadian miner Brilliant Mining Corp.

Mr Junk was the recipient of the 2003 Ernst & Young "Young Entrepreneur of the Year Award" and the 2007 WA Business News "40 Under 40 Award". Over the last 10 years Mr Junk has been a Director of several public companies in the Mining and Financial sectors in Australia and Canada.

## 1.6. Key Management

Doray has a quality management team that has a proven track record of exploration, mine development and disciplined operating capabilities.

- **Peter Bamford, BSc(Eng), ARSM, FAusIMM (CP), MAICD – General Manager, Operations:** Mr Bamford has over 40 years technical and corporate experience in mining and civil engineering operations in Australia and the United Kingdom having served as a director of Maiden Gold, Heron Resources and Dominion Mining. His experience has included various executive roles within base metal mining (MIM Holdings Limited now Glencore/Xstrata) and many gold mining companies from Metana/Gold Mines of Australia through to Dominion Mining/Kingsgate Consolidated where he was responsible for the feasibility study, development and operation of the Challenger gold mine in South Australia before joining Doray in 2012.
- **Peter Sperring, BSc, FAusIMM – Registered Manager, Andy Well Project:** Mr Sperring joined Doray in April 2012 as Registered Manager for the Andy Well Project. His role is to manage all aspects of the on-site performance of the project following the construction and commissioning periods. Mr Sperring has over thirty years experience in technical, project management and operations management roles in Australia. Prior to Doray, Mr Sperring was Kingsgate Consolidated's Project Manager for the definitive feasibility study for the Bowdens silver project in New South Wales. This followed a long career with Dominion Mining which included over 10 years as Operations Manager at the Challenger, Labouchere and Mt Morgans Gold Mines.
- **Mark Cossom, BSc(Hons) MSc(Min. Econ.) MAusIMM – Business Development Manager:** Mr Cossom has over 17 years' experience in exploration, resource development and mine operations in both Australia and PNG. Prior to Doray, Mark spent about 10 years at Harmony Gold, where he was part of the technical team overseeing geological activities in PNG, including the discovery of extensions to the Golpu porphyry Cu-Au deposit made by the Morobe Mining Joint Venture with Newcrest. He was also involved in the evaluation, start-up and management of several mines at South Kalgoorlie in the Eastern Goldfields of Western Australia. Mr Cossom joined Doray in mid-2010, following the initial discovery of the Wilber Lode at Andy Well, and managed the implementation of the development and feasibility study into the Andy Well Project. Mr Cossom has an Honours degree in Applied Geology from Curtin University and a Masters degree in Mineral Economics from the Western Australian School of Mines. He is also a member of the Australasian Institute of Mining and Metallurgy.
- **Brad Drabsch, BSc (Hons), MAIG FSEG – Exploration Manager:** Mr Drabsch joined Doray in December 2011 as Exploration Manager. His role is to manage the exploration activities throughout the Andy Well Project area as well as Doray's regional landholdings in both Western and South Australia. Mr Drabsch has nearly 15 years experience, mostly in greenfields exploration across Australia and Mongolia, exploring a variety of commodities including gold, copper, iron ore, tin and rare earth metals. During that time Mr Drabsch was fortunate to work with some of the mining industries most successful exploration teams including Ivanhoe Mines and Independence Group. Mr Drabsch's most recent role was Senior Geologist with Independence Group's exploration team, leading the DeBeers Geochemical Database target generation programme. Mr Drabsch has a passion for exploration and a solid understanding of what successful exploration means to a small company. Mr Drabsch is a Member of the Australian Institute of Geosciences and a Fellow of the Society of Economic Geologists.

- **Jon Latto, B Com CA MBA GradDipACG ACIS – Chief Financial Officer:** Mr Latto is a Chartered Accountant with over 19 years experience gained locally and internationally. Prior to joining Doray Minerals Limited, Mr Latto was Chief Financial Officer of ASX-listed Tanami Gold NL for approximately 6 years, a period which included the transition to production from its high grade Coyote underground operation. Prior to this, Mr Latto worked with Ernst & Young in Australia, America and India on projects primarily related to finance function reform. Mr Latto has also held financial roles with Iluka Resources Limited in Australia and Cable & Wireless Plc and Halifax Bank of Scotland in London. Mr Latto holds a Bachelor of Commerce and a Masters of Business Administration from the University of Western Australia and is also a qualified Chartered Secretary.
- **Iain Alexander Garrett, BCom, FCCA – Company Secretary/Financial Controller:** Mr Garrett is a qualified financial professional with extensive commercial and public practice experience. He was previously Financial Controller and Company Secretary of Crescent Gold Limited, a top 10 listed Australian gold producer and explorer. Mr Garrett worked for one of the Big Four accounting firms in Africa and the UK before moving to Australia in 2004. Mr Garrett has a Bachelor of Commerce degree from the University of Cape Town and is a Fellow Member of the Association of Chartered Certified Accountants.

### 1.7. Financial information of Doray

The historical financial information below relates to Doray and does not reflect any impact of the Offers. It is an extract only. The full consolidated financial accounts for the financial periods ending 30 June 2012, 30 June 2013 and 30 June 2014, which includes notes to the accounts, can be found in Doray's Annual Reports for those periods.

Copies of those Annual Reports are available from Doray's website at [www.dorayminerals.com.au](http://www.dorayminerals.com.au). If you would like to receive a copy of the Annual Report, please contact the Doray Information Line on +61 8 6140 7422 between 9.00am and 5.00pm (Perth time) Monday to Friday and Doray will provide you with a copy within 2 Business Days of the request free of charge.

#### (a) Statement of financial position

The statements of financial position of Doray set out below have been extracted from the audited financial statements of Doray for the years ending 30 June 2012, 30 June 2013 and 30 June 2014, being the last three audited financial statements prior to the date of this Bidder's Statement.

<b>Doray Minerals Limited - Audited Statement of Financial Position as at 30 June</b>			
	<b>2014</b> <b>(\$'000)</b>	<b>2013</b> <b>(\$'000)</b>	<b>2012</b> <b>(\$'000)</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	15,656	25,700	5,178
Trade and other receivables	921	451	417
Inventories	6,070	3,172	-
Financial asset – gold hedge	4,728	11,118	-
Prepayments	41	-	34
<b>Total Current Assets</b>	<b>27,416</b>	<b>40,441</b>	<b>5,629</b>
<b>Non-Current Assets</b>			
Trade and other receivables	-	-	78
Property, plant and equipment	56,824	3,324	1,384
Exploration assets	10,697	4,848	21,373
Mine development assets	13,879	97,504	-
Intangible assets	-	-	108
Deferred tax assets	5,953	939	-
<b>Total Non-Current Assets</b>	<b>87,353</b>	<b>106,615</b>	<b>22,943</b>
<b>TOTAL ASSETS</b>	<b>114,769</b>	<b>147,056</b>	<b>28,572</b>



**LIABILITIES****Current Liabilities**

Trade and other payables	20,160	15,622	1,821
Provisions	1,298	260	133
Borrowings	14,664	20,563	
<b>Total Current Liabilities</b>	<b>36,122</b>	<b>36,445</b>	<b>1,954</b>

**Non-Current Liabilities**

Trade and other payables	-	4,000	-
Provisions	1,222	1,186	-
Borrowings	698	35,487	-
<b>Total Non-Current Liabilities</b>	<b>1,920</b>	<b>40,673</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>38,042</b>	<b>77,119</b>	<b>1,954</b>
<b>NET ASSETS</b>	<b>76,727</b>	<b>69,937</b>	<b>26,618</b>

**EQUITY**

Issued capital	90,412	73,946	30,398
Reserves	6,810	10,838	2,673
Accumulated losses	(20,495)	(14,847)	(6,453)
<b>TOTAL EQUITY</b>	<b>76,727</b>	<b>69,937</b>	<b>26,618</b>

**(b) Statement of financial performance**

The statement of financial performance of Doray set out below for the year ending 30 June 2014 has been extracted from Doray's audited consolidated statement of financial performance for that period. The statements of financial performance of Doray set out below for the years ending 30 June 2012 and 30 June 2013 have been extracted from the audited financial statements of Doray for those periods, and presented in line with the format of the 2014 statement.

**Doray Minerals Limited - Audited Statement of Financial Performance for the 12 months to 30 June**

	<b>2014 (\$'000)</b>	<b>2013 (\$'000)</b>	<b>2012 (\$'000)</b>
<b>REVENUE</b>			
Revenue from operations	110,574	-	-
Other income - Research and Development refund	-	-	957
Financial income	605	614	671
<b>EXPENDITURE</b>			
Mining and processing costs	(37,218)	-	-
Royalty expense	(3,407)	-	-
Depreciation and amortisation	(38,518)	(519)	(216)
Exploration expenditure written off	(382)	(7,810)	(341)
Corporate and other expenses	(5,080)	(4,264)	(5,255)
Financial expense	(3,053)	(10)	-
Impairment charge	(32,004)	-	-
<b>LOSS BEFORE INCOME TAX</b>	<b>(8,483)</b>	<b>(11,989)</b>	<b>(4,184)</b>
<b>INCOME TAX BENEFIT / (EXPENSE)</b>	<b>2,835</b>	<b>3,595</b>	<b>-</b>
<b>NET LOSS FOR THE YEAR</b>	<b>(5,648)</b>	<b>(8,394)</b>	<b>(4,184)</b>

**OTHER COMPREHENSIVE INCOME****Items that may subsequently be reclassified to profit or loss**

Effective portion of changes in fair value cash flow hedges	(4,473)	7,783	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(10,121)</b>	<b>(611)</b>	<b>(4,184)</b>

**(c) Management comments on historical results***Review of operations*

Doray targeted production of approximately 75,000 ounces from the Wilber Lode in the 2014 financial year and achieved this by producing 76,785 ounces of gold since production commenced in August 2013. Revenues for the year totalled A\$110.6 million with net cash inflows from operating activities for the 2014 financial year totalling A\$57.7 million.

Operating cash costs (C1) for the full year ending 30 June 2014 were A\$522 per ounce. The average All-In Sustaining Cost (AISC) for the 2014 financial year was A\$1,044 per ounce compared with an average gold price received of A\$1,506 per ounce, resulting in an average margin of approximately A\$462 per ounce across the 76,785 ounces produced.

Strong cash flows in the first year of production have enabled Doray to repay or reserve A\$41.1 million over the 2014 financial year on total debt of A\$55 million, resulting in a 75% reduction in net debt over the period.

*Net loss from continuing operations*

Doray commenced production from its Andy Well Project in August 2013 and returned the following results for the year ended 30 June 2014:

- Gross profit: A\$31.0 million
- Results from operating and financing activities: A\$23.5 million
- Net loss for the period (after income tax benefit): (A\$5.6 million)

The net loss for the period of A\$5.6 million was impacted by a A\$32.0 million non-cash impairment charge that Doray recognised for the financial year ended 30 June 2014. The impairment charge primarily related to the decrease in the Australian dollar gold price compared with the A\$1,600 per ounce gold price used in the Bankable Feasibility Study for the development of the Andy Well Project.

*Revenue*

Revenue from operations relates to gold sales (and a small quantity of silver sales) from the Andy Well Project. Whilst gold produced for the financial year ended 30 June 2014 was 76,785 ounces, gold sold was 73,208 ounces at an average price of A\$1,506 per ounce. There was no revenue from gold sales in the year ended 30 June 2013 as production did not commence until August 2013.

*Expenses*

Doray's expenses for the year ended 30 June 2014 are significantly higher than its expenses for the previous year as Doray commenced production in August 2013.

*Finance costs*

Finance costs for the year ended 30 June 2014 relate primarily to fees, interest and charges associated with the Andy Well project finance facility.

As at 1 July 2013, Doray had debt of A\$55 million which had reduced to a net debt position of A\$13.9 million as at 30 June 2014. Gross debt owing as at 30 June 2014 was A\$35 million, although Doray had A\$21.1 million in its debt service reserve account for a net debt position of A\$13.9 million as at 30 June 2014.

*Current assets*

Current assets decreased by 32% to A\$27.4 million as at 30 June 2014 (FY13: A\$40.4 million). Cash and cash equivalents decreased by 39% to A\$15.7 million (FY13: A\$25.7 million). Other



than Doray's cash flows from operating activities and investing activities, Doray's cash balance for the year ended 30 June 2014 was impacted by:

- a capital raising completed in February 2014 which raised approximately A\$17 million primarily to advance the high grade Judy and Suzie target zones and to carry out first-pass drilling of the Margaret and Kirsty structures; and
- the repayment and/or reserving of A\$41.1 million relating to the Andy Well project finance facility throughout the financial year ended 30 June 2014.

Doray's financial asset (gold hedge) decreased by 57% to A\$4.7 million (FY13: A\$11.1 million) primarily caused by the delivery of 34,784 ounces of gold at A\$1,620 per ounce into the hedge.

Inventories increased by 91% to A\$6.1 million (FY13: A\$3.2 million) primarily due to the increase in gold in circuit as at 30 June 2014 of A\$3.7 million and the increase in store consumables, fuels and reagents of A\$1.3 million, offset by a fall in the value of ore stockpiles of A\$2.3 million primarily caused by treatment of the high grade open pit stockpiles that existed at the commencement of production.

#### *Non-current assets*

Property, plant and equipment increased to A\$56.8 million as at 30 June 2014 (FY13: A\$3.3 million) primarily due to the transfer of A\$61.4 million from the mine development asset to property, plant and equipment during the year. This transfer of A\$61.4 million related primarily to the construction of the treatment plant and accommodation village for the Andy Well Project which was then depreciated in line with Doray's depreciation policy.

Exploration assets increased to A\$10.7 million as at 30 June 2014 (FY13: A\$4.8 million) primarily due to exploration expenditure of A\$6.3 million across Doray's tenements during the year.

Mine development assets decreased to A\$13.9 million as at 30 June 2014 (FY13: A\$97.5 million) primarily as a result of:

- the transfer of A\$61.4 million from mine development assets to property, plant and equipment which relates predominantly to the construction of the treatment plant and village for the Andy Well Project; and
- recognition of a A\$32.0 million non-cash impairment charge against the mine development asset as at 30 June 2014 which was primarily driven by the decrease in the Australian dollar gold price compared with the A\$1,600 per ounce gold price used in the Bankable Feasibility Study for the development of the Andy Well Project.

These two reductions have been offset by an increase in additions (net of amortisation charges) to the mine development asset of A\$9.7 million.

#### *Current liabilities*

Total current liabilities have remained relatively constant between the financial years ending 30 June 2013 and 30 June 2014, being A\$36.1 million as at 30 June 2014 compared to A\$36.4 million as at 30 June 2013. However the composition of these totals has changed as described below:

- Trade and other payables has increased by 29% to A\$20.2 million (FY13: A\$15.6 million). This increase relates primarily to the ramp-up in underground mining and subsequent increase in payments and accruals associated with the underground mining contractor used by Doray.
- Borrowings decreased by 28.7% from A\$20.6 million as at 30 June 2013 to A\$14.7 million as at 30 June 2014 primarily as a result of debt repayments and debt reserving made by Doray associated with its Andy Well project financing facility.

#### *Non-current liabilities*

Non-current liabilities have decreased from A\$40.7 million as at 30 June 2013 to A\$1.9 million as at 30 June 2014. This movement was driven by :

- The reclassification of A\$4 million in other payables from a non-current liability to a current liability. This A\$4 million payable relates to the final payment to be made for the acquisition of the remaining 20% of the Andy Well Project that Doray did not already own. This payment is due 14 days after Doray reaches cumulative production of 100,000 ounces of gold from the Andy Well Project, which milestone occurred during November 2014; and

- The reclassification of Doray's remaining debt under the Andy Well project finance facility as a current liability as at 30 June 2014. A\$2.2 million of Doray's remaining debt falls due on 30 September 2015 and would therefore normally be classified as a non-current liability as at 30 June 2014. However, Doray had a breach of one of its financial ratios as at 30 June 2014 which required that all debt owing under the Andy Well project finance facility at that date be reclassified as a current liability, despite the breach being waived by the provider of the project finance facility.

#### *Debt position*

As at 30 June 2013, Doray owed A\$55 million under its Andy Well project finance facility which was primarily utilised for the construction of the treatment plant and accommodation village for the Andy Well Project. As at 30 June 2014, Doray had repaid and/or reserved A\$41.1 million of this debt, leaving a net debt owing of A\$13.9 million.

Doray's existing project finance facility requires Doray to maintain certain financial ratios within pre-determined ranges. Failure to comply with these covenants can lead to amounts outstanding under the existing project finance facility becoming immediately repayable. Doray's compliance with those financial ratios is subject to a range of factors, some of which are outside of Doray's control. For example, the significant decrease in the Australian dollar gold price since Doray completed its Bankable Feasibility Study for the development of the Andy Well Project has negatively impacted upon Doray's ability to comply with certain financial ratios contained in its existing project finance facility. Where Doray has encountered issues in complying with the agreed financial ratios in its existing project finance facility, Doray has obtained waivers of those requirements from its existing financier. However, there is no certainty that further waivers would be forthcoming if such issues arise in the future.

Doray maintains a good relationship with its existing financier, and is in discussions with them (as well as a number of other financial institutions) regarding the refinancing of the remaining project finance facility balance into a larger, more flexible corporate-style debt package to provide greater funding flexibility in respect of Doray's ongoing operations.

### **1.8. Further information on Doray**

Due to the fact that Doray is offering Doray Shares and Doray Listed Options as consideration for the acquisition of Mutiny Shares and Mutiny Listed Options under the Offers, the Corporations Act requires this Bidder's Statement to include all information that would be required for a prospectus for an offer of Doray Securities under sections 710 to 713 of the Corporations Act. Doray does not need to issue a prospectus for the Offers as the Offers are occurring under a takeover bid.

Doray is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations imposed by the Listing Rules and the Corporations Act. In particular, Doray is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or value of Doray Shares, subject to certain limited exceptions.

Copies of announcements made by Doray to ASX are available on the ASX website at [www.asx.com.au](http://www.asx.com.au) (using the ticker DRM), or on Doray's website at [www.dorayminerals.com.au](http://www.dorayminerals.com.au). A list of announcements made by Doray since the lodgement of the annual report for the year ended 30 June 2014 with ASIC is contained in **Annexure 1**.

In addition, Doray is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by or in relation to Doray may be obtained from, or inspected at, any office of ASIC.

Doray will provide a copy of the following documents free of charge to any Mutiny Securityholder who requests such documents during the Offer Period:

- Doray's annual financial report for the year ended 30 June 2014;
- Doray's half year report for the period ending 31 December 2013; and
- any continuous disclosure notices given by Doray after the lodgement of the annual report for the year ended 30 June 2014 with ASIC and before the lodgement of this Bidder's Statement with ASIC.

Requests for copies of these documents may be made by contacting the Doray Information Line on +61 8 6140 7422 between 9.00am and 5.00pm (Perth time) Monday to Friday.

## 2. Information on Doray Securities

### 2.1. Securities on issue in Doray

As at the date of this Bidder's Statement, Doray had on issue the following securities:

- 165,834,256 Doray Shares;
- 7,654,213 Doray Unlisted Options detailed below; and
- 116,626 performance rights (entitling the holder to acquire Doray Shares) which are subject to vesting conditions.

Details of the Doray Unlisted Options are set out below.

Number	Exercise Price	Expiry
1,743,800	A\$1.10	20 November 2014
1,250,000	A\$0.20	4 February 2015
250,000	A\$1.20	31 March 2015
175,000	A\$1.65	31 October 2015
100,000	A\$2.08	5 December 2015
50,000	A\$2.03	12 December 2015
3,490,413	A\$0.83	19 December 2015
150,000	A\$1.93	28 February 2016
195,000	A\$2.00	1 March 2016
150,000	A\$1.79	10 April 2016
100,000	A\$1.03	9 September 2017

### 2.2. Doray's substantial shareholders

As at the date of this Bidder's Statement, there were approximately 3,100 Doray Shareholders.

Based on material lodged with ASX as at the day before the date of this Bidder's Statement, each of the following persons had disclosed the following substantial shareholdings in the issued ordinary share capital of Doray:

Doray substantial shareholder	Doray Shares	Voting power
SG Hiscock	13,367,547	8.1%
Colonial First State/CBA	10,925,176	6.6%
Mr Allan Kelly	10,318,633	6.2%
Renaissance Asset Management	9,117,454	5.5%

### 2.3. Recent trading in Doray Shares

Doray Shares are quoted on ASX. Set out below is a table showing relevant trading prices of Doray Shares on ASX:

Comparative trading price of Doray Shares	Price
Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	A\$0.88
Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	A\$0.29
Closing trading price for Doray Shares traded on ASX on 20 October 2014, being the last full trading day prior to Mutiny requesting a halt to trading in Mutiny Shares on ASX	A\$0.50

Last available closing price of Doray Shares traded on ASX prior to the date this Bidder's Statement was lodged with ASIC	A\$0.30
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## 2.4. Doray's dividend history

No dividends were declared or paid during the financial year ending 30 June 2014.

## 2.5. Rights and liabilities attaching to Doray Shares

The rights and liabilities attaching to the Doray Shares which will be issued as the consideration under the Share Offer are set out in the Doray Constitution and in the Corporations Act.

The main rights and liabilities attaching to the Doray Shares are summarised below.

- **General meeting:** Each member is entitled to receive notice of, and to attend and vote at, general meetings of Doray and to receive all notices, accounts and other documents required to be sent to members under the Doray Constitution, the Corporations Act or the Listing Rules.
- **Voting:** Subject to any rights or restrictions for the time being attached to Doray Shares at a general meeting of Doray Shareholders, every Doray Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and one vote per Doray Share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Doray share. A member is not entitled to vote in respect of those Doray shares on which calls are outstanding unless all calls payable by the member in respect of Doray shares have been paid. Where there are two or more joint holders of a Doray Share and more than one of them is present at a meeting and tenders a vote in respect of a Doray Share (whether in person or by proxy, attorney or representative), Doray will count only the vote cast by the member whose name appears before the other(s) in Doray's register of members.
- **Issues of further Doray Shares:** The Doray Directors may, on behalf of Doray, grant options or other securities with rights of conversion to Doray Shares or pre-emptive rights to any Doray Shares for any consideration and for any stock. However, the Doray Directors must act in accordance with the restrictions imposed by the Doray Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to Doray Shares or classes of Doray shares.
- **Variation of rights:** At present, Doray has on issue one class of Doray shares only, namely Doray Shares. The rights attached to the Doray Shares may be altered only with the written consent of the Doray Shareholders of at least three quarters of the issued Doray Shares or by a special resolution passed at a separate meeting of Doray Shareholders, subject to the Corporations Act.
- **Transfer of Doray Shares:** Subject to the Doray Constitution, the Corporations Act, the ASX Settlement Operating Rules and the Listing Rules, Doray Shares are freely transferable. Doray Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Doray Directors that is permitted by the Corporations Act. Doray may decline to register a transfer of Doray Shares in the circumstances described in the Doray Constitution and where permitted to do so under the Listing Rules. If Doray declines to register a transfer, Doray must, within five business days after the transfer is lodged with Doray, give the lodging party written notice of the refusal and the reasons for refusal. Failure to give such notice will not invalidate the refusal. The Doray Directors may decline to register a transfer of Doray Shares when required by the Listing Rules or the ASX Settlement Operating Rules.
- **Partly paid Doray shares:** The Doray Directors may, subject to compliance with the Doray Constitution, the Corporations Act and the Listing Rules, issue partly paid Doray shares at such times, price and terms and conditions as the Doray Directors think fit.
- **Dividends:** The Doray Directors may declare a final dividend out of profits in accordance

with the Corporations Act and may authorise the payment or crediting by Doray to the members of such a dividend. The Doray Directors may authorise the payment or crediting by Doray to the members of such interim dividends as they appear to the Doray Directors to be justified by Doray's profits. Subject to the rights of members entitled to Doray shares with special rights to dividends (if any), all dividends in respect of Doray Shares are to be declared and paid proportionally to the amount paid up or credited as paid up on the Doray Shares in respect of which the dividend is paid.

- **Winding up:** Subject to the rights of holders of Doray shares with special rights in a winding up, if Doray is wound up, a liquidator may, by special resolution of Doray, divide among the members (including Doray Shareholders) in kind the whole or any part of the property of Doray for such value as the liquidator considers fair.
- **Dividend plans:** Subject to the Corporations Act and the Listing Rules, the Doray Directors may, in their absolute discretion, establish dividend plans under which (among other things) dividends payable by Doray will be reinvested by way of subscription for Doray Shares or a member may elect to forego any dividends that may be payable on all or some of the Doray Shares held by that member and to receive instead an issue of Doray Shares credited as fully paid up to the extent as determined by the Doray Directors.
- **Doray Directors:** The Doray Constitution states that the minimum number of Doray Directors is three.
- **Powers of the Doray Board:** The Doray Directors have the power to manage the business of Doray subject to the Corporations Act, the Listing Rules and the Doray Constitution.

## 2.6. Rights and liabilities attaching to Doray Listed Options

The full terms of the Doray Listed Options to be issued under the Option Offer are set out below. The Doray Listed Options entitle the holder to subscribe for Doray Shares on the following terms and conditions:

- (a) Each Doray Listed Option entitles the holder to subscribe for one Doray Share upon exercise of the Doray Listed Option.
- (b) Subject to paragraph (j), the amount payable upon exercise of each Doray Listed Option will be \$0.475 (**Exercise Price**).
- (c) Each Doray Listed Option will expire at 5.00pm (WST) on 15 August 2015 (**Expiry Date**). A Doray Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) The Doray Listed Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) The Doray Listed Options may be exercised during the Exercise Period by notice in writing to Doray in the prescribed form (**Notice of Exercise**) and payment of the Exercise Price for each Doray Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to Doray.
- (f) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Doray Listed Option being exercised in cleared funds (**Exercise Date**).
- (g) Within 15 Business Days (as defined in the Listing Rules) after the later of the following:
  - (i) the Exercise Date; and
  - (ii) when excluded information in respect to Doray (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, Doray will:

- (iii) issue the number of Doray Shares required under these terms and conditions in

respect of the number of Doray Listed Options specified in the Notice of Exercise and for which cleared funds have been received by Doray;

- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if Doray is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Doray Shares does not require disclosure to investors; and
- (v) apply for official quotation on ASX of Doray Shares issued pursuant to the exercise of the Doray Listed Options.
- (h) Doray Shares issued on exercise of the Doray Listed Options rank equally with the then issued shares of Doray.
- (i) Doray will apply to ASX for quotation of the Doray Shares issued upon the exercise of the Doray Listed Options.
- (j) If at any time the issued capital of Doray is reconstructed, all rights of a Doray optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) There are no participation rights or entitlements inherent in the Doray Listed Options and holders will not be entitled to participate in new issues of capital offered to Doray Shareholders during the currency of the Doray Listed Options without exercising the Doray Listed Options.
- (l) A Doray Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Doray Listed Option can be exercised.
- (m) The Doray Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## **2.7. Doray equity plans**

As at the date of this Bidder's Statement, Doray currently has in operation short-term and long-term incentive plans and an employee share option scheme (as approved by shareholders on 28 November 2013).

### 3. Profile of Mutiny

#### 3.1. Disclaimer

The information contained in this **section 3** has been provided by Mutiny and is the sole responsibility of Mutiny. That information has not been independently verified by Doray and neither Doray nor any of its officers, employees or advisers assumes any responsibility for the accuracy or completeness of that information.

Further information relating to Mutiny is contained in Mutiny's Target's Statement.

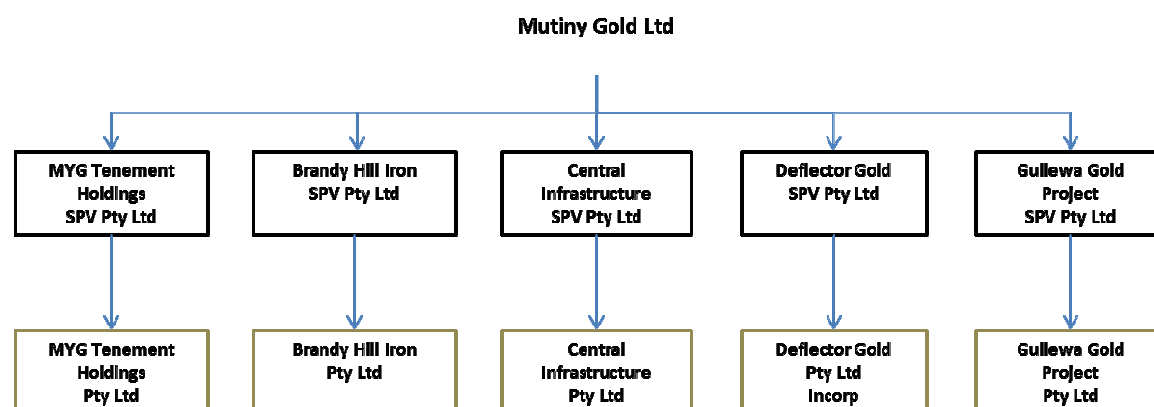
#### 3.2. Overview of Mutiny

Mutiny is an Australian ASX-listed emerging gold, copper and silver producer based in Western Australia (ASX:MYG). Mutiny listed on ASX in July 2006.

Mutiny's core asset is the gold, copper and silver resource at the Deflector Project located 190km east of Geraldton in the highly prospective South Murchison district of Western Australia.

#### 3.3. Structure and Ownership of Mutiny

An overview of the corporate structure of Mutiny is set out below:

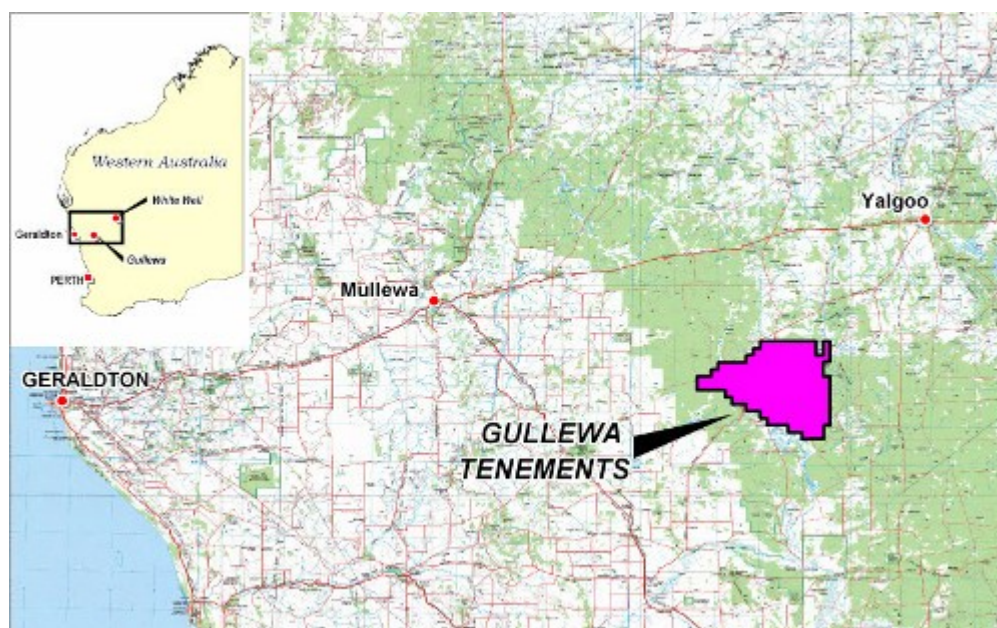


See **section 4.3** of this Bidder's Statement for a list of the substantial shareholders of Mutiny.

#### 3.4. Mutiny's Deflector Project (100%)

The Deflector Project is Mutiny's main asset and is located within Mutiny's 530km<sup>2</sup> vast Gullewa tenement package. The Gullewa area is located in the South Murchison region of Western Australia, approximately 190km east of Geraldton.

The Deflector Project was acquired by Mutiny in July 2010 from Red Hill Resources Ltd (then ATW Gold Corp).



Following successful initial drilling activities, Mutiny completed a scoping study showing that the Deflector Project was potentially a profitable project. As a result of this, Mutiny embarked on a series of drilling programs and conducted extensive metallurgical test work to improve the geological and metallurgical confidence associated with the Deflector ore body.

A Definitive Feasibility Study (DFS) review was commenced in March 2013 and completed in September 2013, confirming Deflector as being a viable and profitable project. Exploration drilling has also occurred at other nearby prospects. The RC drilling programme completed in 2014 at Mary Celeste and Deflector South has confirmed other potential mineralisation within the Deflector corridor.

As announced on 4 August 2014, during the months of June and July 2014, Mutiny completed a "Mine Operators Review" of the Deflector 2013 DFS, simplifying and optimising the Deflector Project and resolving to pursue financing and development of the Deflector Project based on this new mine plan. The new mine plan reduces open pit volumes by 80% and establishes early access to the underground mine, with processing capital and throughput revised to align with an optimal underground production rate of 380Kt per annum.

The Deflector Project is production ready and also has significant potential for upside via expansion and exploration along the large Deflector corridor.

The purpose built processing facility that is proposed to be constructed for the Deflector mine will be based on the optimal underground production rate achieved of 380Kt per annum. The underground mine equates to 80% of the current project value.

### Deflector Mineral Resources & Reserves

#### Deflector Life of Mine Production Inventory – ASX Release 4 August 2014

		Au	Au	Cu	Cu	Ag	Ag
Classification	Tonnes	(g/t)	(oz)	(%)	(t)	(g/t)	(oz)
Measured	903,000	5.4	157,000	1.3	12,000	9.6	279,000
Indicated	875,000	6.3	178,000	0.5	4,000	3.2	91,000
Inferred	470,000	5.0	76,000	0.4	2,000	3.0	45,000
<b>Totals</b>	<b>2,248,000</b>	<b>5.7</b>	<b>411,000</b>	<b>0.8</b>	<b>18,000</b>	<b>5.7</b>	<b>415,000</b>

Note: Figures are nearest to 10,000 tonnes, 0.1g/t, and 1,000 ounces. Rounding errors may occur

*\*Cautionary Statement: there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.*



**Deflector Total Ore Reserve – ASX Release 4 August 2014**

		<b>Au</b>	<b>Au</b>	<b>Cu</b>	<b>Cu</b>	<b>Ag</b>	<b>Ag</b>
<b>Classification</b>	<b>Tonnes</b>	<b>(g/t)</b>	<b>(oz)</b>	<b>(%)</b>	<b>(t)</b>	<b>(g/t)</b>	<b>(oz)</b>
Proven	908,000	5.3	153,000	1.3	11,000	9.4	274,000
Probable	873,000	6.0	168,000	0.5	4,000	3.1	86,000
<b>Totals</b>	<b>1,781,000</b>	<b>5.6</b>	<b>322,000</b>	<b>0.9</b>	<b>16,000</b>	<b>6.3</b>	<b>360,000</b>

**Deflector Mineral Resource Statement – ASX Release 26 November 2012**

		<b>Au</b>	<b>Au</b>	<b>Cu</b>	<b>Cu</b>	<b>Ag</b>	<b>Ag</b>
<b>Classification</b>	<b>Tonnes</b>	<b>(g/t)</b>	<b>(oz)</b>	<b>(%)</b>	<b>(t)</b>	<b>(g/t)</b>	<b>(oz)</b>
Measured	1,164,000	6.0	223,000	1.5	17,000	10.9	407,000
Indicated	1,043,000	7.3	246,000	0.6	7,000	4.2	140,000
Measured & Indicated	2,207,000	6.6	468,000	1.1	24,000	7.7	547,000
Inferred	658,000	5.8	122,000	0.5	3,000	3.9	82,000
<b>Totals</b>	<b>2,865,000</b>	<b>6.4</b>	<b>591,000</b>	<b>0.9</b>	<b>27,000</b>	<b>6.8</b>	<b>628,000</b>

**Competent Person Statement**

The information in this Bidder's Statement that relates to Mutiny's Mineral Resources or Ore Reserves is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by Mutiny of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in this Bidder's Statement regarding Mutiny's Mineral Resources or Ore Reserves has been extracted from the Mutiny ASX announcements dated 26 November 2012 and 4 August 2014 and are available on the Mutiny website at [www.mutinygold.com.au](http://www.mutinygold.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au).

Mutiny 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. Mutiny 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.

The information in this Bidder's Statement that relates to the Combined Group's production targets (to the extent that it relates to Mutiny) has been extracted from the Mutiny ASX announcement dated 4 August 2014 and is available on the Mutiny website at [www.mutinygold.com.au](http://www.mutinygold.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au). Mutiny 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 underpinning the production target in that market announcement continue to apply and have not materially changed.

**Gold equivalent oz per tonne (AuEq oz/t) calculation basis**

Mutiny has calculated the gold equivalent (**AuEq**) ounces which are the subject of Mutiny's production target from the Deflector Project, which form part of the Combined Group's production target, using the following formula:

$$\text{AuEq (payable)} = ((\text{Au oz's payable} \times \$/\text{oz Au}) + (\text{Ag oz's payable} \times \$/\text{oz Ag}) + (\text{Cu t payable} \times \$/\text{t Cu})) / \$/\text{oz Au}$$

$$\text{Ounces AuEq} \times 31.1/\text{t} = \text{AuEq g/t}$$

Where the gold price is US\$1,300 per ounce, silver price is US\$20 per ounce and the copper price is US\$6,660 per tonne using an A\$:US\$ currency exchange rate of 0.93:1. These metal prices are based on spot prices in June 2014 from Kitco and London Metal Exchange websites.

Metal equivalent grades are based on the Life of Mine inventory (LoM) for the Deflector Project, which includes Proven and Probable Ore Reserves and Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources (or Ore Reserves), or that the production target itself will be realised. It is the company's opinion that the gold, silver and copper metals used in the metal equivalent calculation have reasonable potential for recovery and sale based on metallurgical recoveries in test work noted above. There are a number of well established processing routes for deposits of this and sales of the resulting product as bullion and concentrate.

### 3.5. Recent Exploration

Mutiny's 2014 exploration program has been focused on the Gullewa gold tenements and the work program has been recently consolidated with the primary focus on the highly prospective 7 km long Deflector corridor.

The exploration targeting review completed in 2014 considered all known historical exploration data sets and technical reports. Four high priority conceptual corridors for immediate focus were defined and are summarised in the following order of priority:

- **Deflector Corridor:** The Deflector Corridor is host to the current Deflector gold-copper-silver deposit which is to date the largest single resource discovered on the Gullewa tenements. The corridor is predominately under shallow cover and is approximately 7km in length. The host rock is competent basalt rock sitting between ductile sediments to the east and ultramafic to the west. Sons of Gwalia discovered the Deflector orebody in 1991 following a series of shallow RAB holes targeting a "deflection" seen in the magnetics. Review of the Deflector corridor has shown that four immediate targets exist along this corridor, which are of similar nature and size to the initial discovery by Sons of Gwalia in 1991. To the north of Deflector these are Jack Sparrow and Davy Jones and to the south are Flying Dutchman and Mary Celeste. The Mary Celeste discovery was announced by Mutiny on 5 June 2014 following a shallow drilling program targeting a SAM (Sub Audio Magnetic) geophysical target. These targets are considered poorly tested and require extensive follow up drilling. Also included in the Deflector corridor is Spanish Galleon which is located only 600m west of Deflector and requires further detailed geological review.
- **Quartermaster:** Quartermaster is considered as a conceptual greenfields exploration target this corridor offers several geological similarities to the Deflector deposit. It is located in similar rocks directly along strike from Deflector within the Gullewa greenstone package and sits adjacent to a non-magnetic intrusive body. Recently completed SAM geophysical surveys have indicated several targets for shallow drilling follow up. Targets include Quartermaster, Able Seaman and The Cook.
- **Brandy Hill:** Brandy Hill is a corridor of historical gold mines and resources located in the southern section of the Gullewa package. This area was originally owned and mined by Julia Mines in the late 1990's in Joint Venture with Menzies Gold. Considered to be under deeper cover, several targets remain un-tested at Boatswain, Gunner, Brandy Hill and Navigator.
- **Gullewa:** Gullewa is a corridor associated with the historical Gullewa gold mines, hosting deposits like King Solomon, Monarch, Michelangelo and Rock Steady. Mineralisation remains open at depth and along strike on these deposits and warrant further exploration.

The first step in the evaluation of the four high priority corridors was the commencement of SAM geophysical surveying on the Deflector and Quartermaster corridors. To date, 9.85km<sup>2</sup> of SAM geophysical surveying has been completed at Deflector Corridor (5.65km<sup>2</sup>) and Quartermaster (4.20km<sup>2</sup>). This increases the current SAM geophysical coverage to over 80% along the prospective Deflector Corridor. The SAM surveys have been very successful in defining new potentially mineralised structures. Detailed interpretation is in progress prior to commencement of RC and aircore drilling on these newly defined targets.

### 3.6. Mutiny's other activities and assets

Mutiny has interests in the following additional projects:

- **Rocksteady Iron Project (100%):** The Rocksteady Iron Project is located approximately 10km west of the Deflector Project. A nominal drill program produced 34 Reverse-Circulation drill holes, with the majority intersecting hematite enriched Banded Iron Formation. In December 2013 a maiden indicated resource of 1.1 million tonnes at 51.9% Fe was announced. Mutiny has indicated that it does not plan to undertake further work on this project in 2014.
- **White Well (70%):** Mutiny has a 70% interest in the White Well tenement, the other 30% held by George Francis Lee. This tenement is located 30km east of Cue in the Tuckabianna mineral field of Western Australia. Mineral Resource definition drilling programs validated the historic drill inventory which in turn allowed the utilisation of historic drilling in the calculation of a JORC resource. Upon completion of the drilling and laboratory test work Mutiny released a Mineral Resource of 113,000 oz. Included at this location, adjacent to White Well, is an exploration property known as the Bounty Zone. On 13 November 2014, Mutiny announced that it had entered into an agreement to dispose of its interest in White Well to a private consortium in consideration for A\$1,300,000 payable in 12 monthly instalments.
- **Widgie South – Widgemooltha District (100%):** In March 2012, Mutiny secured 100% ownership of the Widgie South tenement (E15/1025). Nickel targets have been identified through previous geophysical targeting.

### 3.7. Directors of Mutiny

As at the date of this Bidder's Statement, the Mutiny Directors are as follows:

- **Allan Brown (Chairman and Non-Executive Director):** Mr Brown is a metallurgist with over 40 years' experience in a mining and metallurgy project development and management.  
  
Mr Brown was the Resident mine manager of the Golden Grove Copper- Zinc mine from 1988 through to 1992 for Murchison Zinc. Other significant experience in Australian operations includes Wiluna gold, Sally Malay nickel, Argyle diamonds and Cobar base metals. Following the formation of Allan R.G. Brown and Associates in 1998, a metallurgical consulting business he has provided consulting services to numerous companies around the world including Sweden, Finland, Uganda and China specialising in mineral processing associated with bacterial oxidation, refractory gold, complex base metals and diamonds. Mr Brown has a BSc (Hons) in Metallurgy from the University of NSW, is a fellow of the Australian Institute of Mining and Metallurgy, a Chartered Professional (Metallurgy) and a Member of the Mineral Industry Consultants Association.  
  
Mr Brown has been a Non-Executive Director and Deputy Chairman of Mutiny since July 2003. He has been the Non-Executive chairman since April 2014.
- **Anthony (Tony) James (Managing Director):** Mr James is a Mining Engineer with 30 years' experience in mining and project development/management.  
  
Mr James is credited with bringing Avoca's Trident underground mine into production having established the mine as well as commissioning and building the Higginsville processing plant and infrastructure in 2008. Mr James became the Chief Operating Officer of Avoca prior to the formation of Alacer Gold Corporation where he held various executive positions.  
  
He played a lead role in the re-establishment of the Black Swan Nickel Mine for MPI Mines in 2002 and the transition into the Kanowna Belle underground mine for Delta Gold in 2000. Previous operational and management experience includes the Telfer Gold Mine, Western Metals zinc and lead mines and interim management of the Kalgoorlie gold operations for Northern Star Resources. Mr James has a BEng in Mining Engineering from the Western Australian School of Mines. He is a fellow of the Australian Institute of Mining and Metallurgy.
- **Rowan Johnston (Executive Director of Operations):** Mr Johnston is a Mining Engineer with 30 years' experience in mining and project development/management.  
  
Mr Johnston was an Executive Director - Operations at Integra Mining Ltd. He joined Integra in October 2007 where he played a significant role of the company's transition

from explorer to gold producer at the Randals gold project east of Kalgoorlie. He was previously the General Manager for Fox Resources at Radio Hill in Karratha and the Project Manager for Westonia Mines at Westonia. Other operational, technical and management experience includes working as the Principle Mining Engineer for SRK Consulting, General Manager Gympie Gold Mines, senior mining consultant for Global Mining Services and Manager Mining for Aurora in Indonesia. Mr Johnston has a BSc in Mining Engineering from the Western Australian School of Mines.

- **Kelvin Flynn (Non-Executive Director):** Mr Kelvin Flynn is a qualified Chartered Accountant with more than 20 years' of investment banking and corporate advisory experience including private equity and special situations investments into the mining and resources sector.

Mr Flynn is the founder and Managing Director of private equity and advisory firm Sirona Capital. He is also a Non Executive Director of ASX100 Mineral Resources Limited (major iron ore and manganese processor and mining company) and privately owned Global Advanced Metals Pty Ltd (the world's leading vertically integrated provider of tantalum metallurgical products and tantalum powder for high performance capacitors). He has previously held various leadership positions in Australia and Asia in the positions of Executive Director / Vice President with Goldman Sachs, Managing Director of Alvarez and Marsal in Asia, Executive Director/Partner for Ferrier Hodgson in Hong Kong and Kuala Lumpur.

Mr Flynn has a BCom (Accounting and Finance) from the University of Western Australia.

### 3.8. Financial information on Mutiny

Mutiny released its full consolidated financial accounts for the financial period ending 30 June 2014 on 30 September 2014. An electronic copy of this report can be obtained from Mutiny's website <http://www.mutinygold.com.au/investor-centre/company-reports/annual-reports> or from ASX.

The historical financial information below relates to Mutiny on a stand-alone basis and does not reflect any impact of the Offers. It is an extract only. The full consolidated financial accounts for the financial periods ending 30 June 2012, 30 June 2013 and 30 June 2014, which includes notes to the accounts, can be found in Mutiny's Annual Reports for those periods. Copies of those Annual Reports are available from Mutiny's website at [www.mutinygold.com.au](http://www.mutinygold.com.au).

#### (a) Consolidated statement of financial position

The consolidated statements of financial position of Mutiny set out below have been extracted from the audited financial statements of Mutiny for the years ending 30 June 2012, 30 June 2013 and 30 June 2014, being the last three audited financial statements prior to the date of this Bidder's Statement.

	Consolidated Group 2014 \$	Consolidated Group 2013 \$	Consolidated Group 2012 \$
<b>Current Assets</b>			
Cash & cash equivalents	3,036,880	1,650,764	4,251,094
Trade & other receivables	65,519	605,662	459,966
<b>Total Current Assets</b>	<b>3,102,399</b>	<b>2,256,426</b>	<b>4,711,060</b>
<b>Non-Current Assets</b>			
Receivables	16,602	16,602	424,203
Property, plant & equipment	60,825	75,443	99,381
Intangible asset	6,760	6,760	-

Exploration & evaluation expenditure	41,974,013	37,804,492	32,628,557
<b>Total Non-Current Assets</b>	<b>42,058,200</b>	<b>37,903,297</b>	<b>33,152,141</b>
<b>Total Assets</b>	<b>45,160,599</b>	<b>40,159,723</b>	<b>37,863,201</b>
<b>Current Liabilities</b>			
Trade & other payables	200,923	1,348,954	815,232
Annual leave entitlements	39,298	183,542	140,283
Borrowings	7,662,145	6,261,087	14,858,100
<b>Total Current Liabilities</b>	<b>7,902,366</b>	<b>7,793,583</b>	<b>15,813,615</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	-	951,135	-
Provisions	4,686	57,244	37,218
<b>Total Non-Current Liabilities</b>	<b>4,686</b>	<b>1,008,379</b>	<b>37,218</b>
<b>Total Liabilities</b>	<b>7,907,052</b>	<b>8,801,962</b>	<b>15,850,833</b>
<b>Net Assets</b>	<b>37,253,547</b>	<b>31,357,761</b>	<b>22,012,368</b>
<b>Equity</b>			
Issued capital	42,965,731	38,031,051	35,269,236
Reserves	1,852,030	2,071,578	1,622,640
Accumulated losses	(7,564,214)	(8,744,868)	(14,879,508)
<b>Total Equity</b>	<b>37,253,547</b>	<b>31,357,761</b>	<b>22,012,368</b>

**(b) Consolidated statement of profit or loss and other comprehensive income**

The consolidated statement of profit or loss and other comprehensive income of Mutiny set out below for the year ending 30 June 2014 has been extracted from Mutiny's audited consolidated statement of financial performance for that period. The consolidated statements of profit or loss and other comprehensive income of Mutiny set out below for the years ending 30 June 2012 and 30 June 2013 have been extracted from the audited financial statements of Mutiny for those periods, and presented in line with the format of the 2014 statement.

	<b>Consolidated Group 2014 \$</b>	<b>Consolidated Group 2013 \$</b>	<b>Consolidated Group 2012 \$</b>
Other Revenue	101,989	12,050,105	354,687
Administrative expenses	(155,852)	(194,634)	(502,914)
Consulting expenses	(154,712)	(603,599)	(988,440)
Depreciation	(17,149)	(24,597)	(32,896)
Employee benefits expense	(959,445)	(1,680,810)	(708,202)

Finance costs	-	(2,200,025)	(1,038,037)
Impairment of exploration & evaluation asset	-	-	(36,238)
Legal expenses	(90,617)	(840,304)	(266,082)
Loss on debt settlement	-	(337,462)	
Loss on disposal of exploration asset	-	-	(28,670)
Loss on disposal of MV, plant & equipment	(1,177)	-	(5,272)
Marketing expenses	(223,089)	(354,994)	(252,697)
Occupancy expenses	(121,034)	(155,432)	(125,851)
Other expenses	(8,228)	(165,922)	(176,165)
Unrealised foreign exchange loss	(108,813)	(521,522)	
Write off of exploration & evaluation expenditure	-	(47,177)	(51,742)
<b>Profit/(Loss) before income tax</b>	<b>(1,738,127)</b>	<b>4,923,627</b>	<b>(3,858,519)</b>
Income tax / benefit	864,257	1,127,254	483,331
<b>Profit/(Loss)Loss for the year</b>	<b>(873,870)</b>	<b>6,050,881</b>	<b>(3,375,188)</b>
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive profit/(loss) for the year</b>	<b>(873,870)</b>	<b>6,050,881</b>	<b>(3,375,188)</b>

**(c) Consolidated statement of cash flows**

The consolidated statements of cash flows of Mutiny set out below have been extracted from the audited financial statements of Mutiny for the years ending 30 June 2012, 30 June 2013 and 30 June 2014, being the last three audited financial statements prior to the date of this Bidder's Statement.

	<b>Consolidated Group 2014 \$</b>	<b>Consolidated Group 2013 \$</b>	<b>Consolidated Group 2012 \$</b>
<b>Cash Flow from Operating Activities</b>			
Royalty Receipt			75,000
Payments to suppliers & employees	(2,488,060)	7,214,027	(3,936,895)
R & D proceeds	864,257	2,078,389	758,286
Interest received	73,383	78,006	247,560
<b>Net cash provided by / (used in) operating activities</b>	<b>(1,550,420)</b>	<b>9,370,422</b>	<b>(2,856,049)</b>
<b>Cash Flow from Investing Activities</b>			
Proceeds from sale of property, plant & equipment	-	-	23,842

Proceeds from sale of exploration asset	-	-	10,000
Payment for property, plant & equipment	(7,711)	(5,999)	(105,707)
Payment for environmental bonds & office lease bond	-	-	(417,443)
Payments for exploration & evaluation expenditure	(1,729,767)	(4,675,254)	(19,815,591)
<b>Net cash used in investing activities</b>	<b>(1,737,478)</b>	<b>(4,681,253)</b>	<b>(20,304,899)</b>

#### Cash Flow from Financing Activities

Proceeds from capital raising	5,015,899	415,050	12,405,427
Costs of share and option issue	(341,885)	(73,334)	(728,920)
Proceeds from borrowing	-	3,813,822	14,885,361
Borrowing costs	-	-	(500,000)
Repayment of borrowing	-	(11,000,000)	-
Interest paid	-	(445,037)	(221,610)
<b>Net cash provided by/(used in) financing activities</b>	<b>4,674,014</b>	<b>(7,289,499)</b>	<b>25,840,258</b>

Net (decrease)/increase in cash held	1,386,116	(2,600,330)	2,679,310
Cash at the beginning of the year	1,650,764	4,251,094	1,571,784
<b>Cash at the end of the year</b>	<b>3,036,880</b>	<b>1,650,764</b>	<b>4,251,094</b>

#### (d) Commentary in respect of Mutiny's financial information

There has been no material change to the financial position of Mutiny since the release of Mutiny's 2014 Annual Report announced to ASX on 30 September 2014. However, Mutiny notes that its current liability borrowings are denoted in US\$ and the devaluation of the A\$ against the US\$ since 30 June 2014 will have the effect of increasing the book value of those borrowings in Australian Dollar terms.

#### 3.9. Further information on Mutiny

Mutiny is a listed disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Mutiny is subject to the Listing Rules which require continuous disclosure of any information Mutiny has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

In addition, Mutiny is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Mutiny may be obtained from, or inspected at, an ASIC office.

A substantial amount of information about Mutiny, including its ASX announcements, is available in electronic form from its website [www.mutinygold.com.au](http://www.mutinygold.com.au).

The most recent audited financial statements of Mutiny for the year ended 30 June 2014 were lodged with the ASX on 30 September 2014. Mutiny's reviewed financial statements for the half year ended 31 December 2013 were lodged with the ASX on 12 March 2014.

Further information about Mutiny will be contained in its Target's Statement.

## 4. Information on Mutiny's Securities

### 4.1. Disclaimer

The information contained in **sections 4.1 to 4.6** has been provided by Mutiny and is the sole responsibility of Mutiny. That information has not been independently verified by Doray and neither Doray nor any of its officers, employees or advisers assumes any responsibility for the accuracy or completeness of that information.

Further information relating to Mutiny is contained in Mutiny's Target's Statement.

### 4.2. Securities on issue in Mutiny

As at the date of this Bidder's Statement, Mutiny's issued securities consisted of:

- (a) 678,227,617 Mutiny Shares;
- (b) 84,618,116 Mutiny Listed Options, being quoted options over Mutiny Shares exercisable at A\$0.05 on or before 15 August 2015; and
- (c) 14,850,000 Mutiny Unlisted Options detailed below.

Number	Exercise Price (A\$)	Expiry
10,000,000	0.03375	3 April 2016
764,000	0.15	31 December 2017
910,000	0.20	31 December 2017
1,060,000	0.25	31 December 2017
1,060,000	0.30	31 December 2017
1,056,000	0.35	31 December 2017

See **section 4.6(a)** with respect to the Mutiny Performance Rights which Mutiny proposes to grant subject to obtaining approval of its shareholders at its 2014 annual general meeting.

### 4.3. Mutiny's substantial shareholders

Based on material lodged with ASX as at the day before the date of this Bidder's Statement, each of the following persons had disclosed the following substantial shareholdings in the issued ordinary share capital of Mutiny:

Mutiny Shareholder	Number	Percentage
Doray Minerals Limited	126,700,082	18.68%
Ausdrill International Pty Ltd	61,111,112	9.0%
Drake Private Investments, LLC	38,500,000	5.7%

Doray's Relevant Interest in 18.86% of Mutiny Shares arises as a result of Doray entering into pre-bid acceptance agreements with each of Ausdrill International Pty Ltd, Drake Private Investments, LLC and Sandstorm Gold Ltd. Further details relating to these pre-bid acceptance agreements are set out in **section 9.4** of the Bidder's Statement.

### 4.4. Recent trading in Mutiny Shares

Mutiny Shares are quoted on ASX. Set out below is a table showing relevant trading prices of Mutiny Shares on ASX:

Comparative trading period price of Mutiny Shares	Price
Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	A\$0.051
Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	A\$0.028



Closing trading price on the last trading day in which both Mutiny and Doray Shares traded for the full trading day prior to Mutiny requesting a trading halt in Mutiny Shares on ASX, being 20 October 2014.	A\$0.039
Last available closing price of Mutiny Shares traded on ASX prior to the date this Bidder's Statement was lodged with ASIC, being 14 November 2014	A\$0.031

#### 4.5. Mutiny's dividend history

No dividends were declared or paid by Mutiny during the financial year ending 30 June 2014.

#### 4.6. Mutiny Incentive Plans

As at the date of this Bidder's Statement, Mutiny currently has the following employee incentive plans in operation:

##### (a) Mutiny Gold Employee and Contractor Trust Plan

At Mutiny's annual general meeting held 28 November 2012, Mutiny Shareholders approved the Mutiny Gold Employee and Contractor Trust Plan. This plan provides a framework for the Mutiny Board to incentivise Mutiny's employees and contractors through the grant of shares, options or performance rights subject to conditions determined by the Mutiny Board at the time of grant.

The main objective of Mutiny Gold Employee and Contractor Trust Plan is to ensure that all executive remuneration is directly and transparently linked with Mutiny's strategy and performance, by aligning both short term and long term incentives with the achievement of Mutiny's short term and long term strategic objectives, as well as longer term return to Mutiny Shareholders.

Mutiny proposes to grant the Mutiny Performance Rights to Mr Anthony James and Mr Rowan Johnston under Mutiny's Employee and Contractor Trust Plan, subject to obtaining the approval of Mutiny Shareholders at its 2014 annual general meeting.

The Mutiny Performance Rights proposed to be granted, and their proposed terms, are set out in the table below.

Holder	Number of Mutiny Performance Rights	Vesting Criteria
Mr Anthony James	20,000,000	<p>The vesting period for each Mutiny Performance Right is from the grant date until 5.00pm (WST) on 31 October 2017.</p> <p>On the vesting of each Mutiny Performance Right, Mutiny will issue one Mutiny Share to the holder of the Mutiny Performance Right for no consideration.</p> <p>Vesting is conditional on the following conditions being satisfied in whole or in part, at the discretion of the Mutiny Board.</p> <ul style="list-style-type: none"> <li>(a) one-third of the Mutiny Performance Rights will vest on Mutiny entering into definitive project financing agreements in respect of the development of Mutiny's Deflector Project;</li> <li>(b) one-third of the Mutiny Performance Rights will vest on the completion of construction of Mutiny's proposed processing facilities relating to Mutiny's Deflector Project; and</li> <li>(c) one-third of the Mutiny Performance Rights will vest on Mutiny profitably producing gold from Mutiny's Deflector Project at a steady state,</li> </ul> <p>or, as an alternative to the above conditions in (a) to (c),</p>

Holder	Number of Mutiny Performance Rights	Vesting Criteria
		(d) Mutiny entering into and completing an alternative transaction which materially advances the prospects of the development of Mutiny's Deflector Project. In this case, the Mutiny Board will exercise its discretion to determine what number of Mutiny Performance Rights will vest, taking into account the specifics of the relevant transaction.
Mr Rowan Johnston	5,000,000	As above.

The grant of the Mutiny Performance Rights is subject to Mutiny Shareholders approving that grant at Mutiny's annual general meeting to be held on 28 November 2014.

The terms of the Mutiny Gold Employee and Contractor Trust Plan provide that Mutiny has the discretion to immediately vest Mutiny Performance Rights (having regard to the relevant performance conditions) if a takeover offer is made, it is recommended by Mutiny, and the takeover offer becomes unconditional.

As announced to the ASX on 28 October 2014, if Mutiny Shareholders approve the grant of the above Mutiny Performance Rights, the Mutiny Board has confirmed that it will use its discretion under the terms and conditions of the Mutiny Performance Rights and the Employee and Contractor Trust Plan to vest:

- 48% of the Performance Rights to be granted to Mr Anthony James (being, 9,650,000 Performance Rights); and
- 40% of the Performance Rights to be granted to Mr Rowan Johnston (being 2,000,000 Performance Rights),

as a result of a third party (including Doray) acquiring control of Mutiny.

As Doray's Offers will only become unconditional if it has acquired a Relevant Interest in at least 50.1% of Mutiny Shares, the above Performance Rights will only vest after the Offers have received overwhelming acceptances.

Accordingly, in the event that Doray acquires control of Mutiny as a result of acceptances of the Offers, 9,650,000 Mutiny Shares will be issued to Mr James and 2,000,000 Mutiny Shares will be issued to Mr Johnston as a result of the vesting of the above Mutiny Performance Rights. Mr James and Mr Johnston intend to accept the Share Offer in respect of any Mutiny Shares issued to them as a result of the vesting of the above Mutiny Performance Rights, in the absence of a Superior Proposal.

#### **(b) Short term incentive plan**

The executive services agreements for Mr Anthony James and Mr Rowan Johnston provide that they are each eligible to receive an annual short term incentive bonus of up to 50% of their base salary, if, as applicable, the key performance indicators (or KPIs) for the relevant executive for the relevant employment year have been achieved.

The Mutiny Board has the discretion to determine the KPIs and other guidelines for the calculation of any short term incentive on an annual basis. The Mutiny Board will determine, in its sole discretion, whether any short term incentive bonus should be paid and the quantum of any such payment.

If the Offers are successful, Doray intends to make Mutiny's executive directors, Mr Anthony James and Mr Rowan Johnston, redundant effective from the later of the date the Doray acquires control of Mutiny's board and 31 January 2015.

Mutiny has resolved to exercise its discretion under Mutiny's Short Term Incentive Plan to grant A\$50,000 to Mr James on the termination of his employment on the grounds of redundancy as a pro rata payment of Mr James' potential bonus under Mutiny's Short Term Incentive Plan, having regard to Mr James' performance against agreed KPIs during the relevant employment year.

#### 4.7. Acquisition by Doray in past 4 months

Other than under the pre-bid acceptance agreements referred to in **section 9.4** of this Bidder's Statement, neither Doray nor any Associate of Doray has provided, or agreed to provide, consideration for Mutiny Shares under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

Neither Doray nor any Associate of Doray has provided, or agreed to provide, consideration for Mutiny Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offers.

#### 4.8. Doray's interest in Mutiny Shares and Mutiny Listed Options

Doray and its Associates have the following Relevant Interests in, and voting power in relation to, Mutiny Shares and Mutiny Listed Options:

Class of Securities	Day before the date of this Bidder's Statement	Day before the date first Offers were sent
Mutiny Shares	126,700,082 (18.68%)	126,700,082 (18.68%)
Mutiny Listed Options	Nil	Nil

Further details in relation to Doray's dealings in Mutiny Shares are set out in **section 9.4**.

As at the date of this Bidder's Statement, the Doray Directors have no Relevant Interest in any Mutiny Shares or Mutiny Listed Options.

#### 4.9. No collateral or other benefits

During the period of 4 months before the date of this Bidder's Statement, neither Doray nor any Associate of Doray gave, or offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- accept the Offers; or
- dispose of Mutiny Shares or Mutiny Listed Options,

and which is not offered to all holders of Mutiny Shares or Mutiny Listed Options under the Offers.

During the period from the date of this Bidder's Statement to the date before the date of the Offers, neither Doray nor any Associate of Doray gave, or offered to give, or agreed to give a benefit to another person which was likely to include the other person, or an Associate of the other person, to:

- accept the Offers; or
- dispose of Mutiny Shares or Mutiny Listed Options,

and which is not offered to all holders of Mutiny Shares or Mutiny Listed Options under the Offers.

#### 4.10. No escalation agreements

Neither Doray nor any Associate of Doray has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

## 5. Profile of the Combined Group

### 5.1. Overview of the Combined Group

Following completion of the Offers, the Combined Group is expected to have the following key attributes:

- It will be a leading mid-tier Western Australian gold company with an attractive portfolio of complementary high-grade Western Australian production, development and exploration assets.
- Operational flexibility from two high-grade production centres - Andy Well in the northern Murchison district and the Deflector Project in the southern Murchison district of Western Australia – which combined are forecast to produce (on an annualised basis) around 160,000oz gold equivalent ounces per year once Deflector is commissioned<sup>11</sup>.



Source: Doray

<sup>11</sup> Refer to footnote 6.

- A Mineral Resource base in excess of 1.0 million ounces of gold at a grade of 7.7g/t plus 27Kt Cu at a grade of 0.9%, as set out in the table below:

	Tonnes	Au g/t	Au Ounces
Doray Mineral Resources – Au	1,273,000	10.8	440,000
Mutiny Mineral Resources – Au	2,865,000	6.4	591,000
<b>Combined Group Mineral Resources - Au</b>	<b>4,138,000</b>	<b>7.7</b>	<b>1,031,000</b>

	Tonnes	Cu %	Cu Tonnes
Doray Mineral Resources - Cu	-	-	-
Mutiny Mineral Resources - Cu	2,865,000	0.9	27,000
<b>Combined Group Mineral Resources - Cu</b>	<b>2,865,000</b>	<b>0.9</b>	<b>27,000</b>

Note: The detailed breakdown of Mineral Resources (JORC Code 2012) for each of Doray and Mutiny are contained in **sections 1.3** and **3.4** of this Bidder's Statement.

- Enhanced scale and market relevance, with the financial strength to optimise funding the development of Deflector, including an increased level of liquidity and exposure to a global and expanding retail and institutional investor base giving greater funding flexibility.
- The ability to optimise the exploration spend across the Combined Group's exploration portfolio.
- A strong board and management team with significant depth of technical and corporate expertise and a proven track record of delivering shareholder value through the successful discovery, development and operation of high-grade, narrow vein gold projects.

## 5.2. Capital structure of the Combined Group

Under the Offers, Doray is offering to issue Doray Securities to Mutiny Securityholders. The actual number of Doray Securities on issue at completion of the Offers will depend on the level of acceptances of the Offers and the number of Mutiny and Doray options (if any) exercised during the Offer Period.

The potential effect of the Offers on Doray's capital structure, post-transaction, is summarised in the table below.

Capital structure of Combined Group	Number held by Doray Security-holders	Number held by Mutiny Security-holders	Total for Combined Group <sup>4</sup>
Ordinary shares <sup>1</sup>	165,834,256	72,618,695 <sup>3</sup>	238,452,951
Listed options <sup>1</sup>	nil	8,907,170	8,907,170
Unlisted options <sup>2</sup>	7,654,213	1,563,151	9,217,364
Performance rights	116,626	Nil	116,626
<b>Total</b>	<b>173,605,095</b>	<b>83,089,016</b>	<b>256,694,111</b>
Diluted percentage <sup>5</sup>	66.9%	33.1% <sup>5</sup>	100.00%
Undiluted percentage <sup>5</sup>	69.5%	30.5%	100.00%

### Notes and assumptions:

1. Assumes that all Offers are accepted by Mutiny Shareholders and the holders of Mutiny Listed Options and the conditions to the Offers are satisfied or waived prior to the close of the Offer Period. As set out in note 3 below, it assumes that 11,650,000 of the Mutiny Performance Rights which are proposed to be issued (subject to the approval of Mutiny shareholders at its annual general meeting) vest as a result of the Offers being successful and that the Mutiny Shares issued upon the vesting of those Mutiny Performance Rights are accepted into the Share Offer.
2. Assumes that all private treaty offers by Doray to holders of Mutiny Unlisted Options are accepted and the conditions to those offers are satisfied or waived. Additional information on the Doray Unlisted Options is set out in **section 9.15** of this Bidder's Statement.

3. Includes Mutiny Shares issued as a result of the vesting of 11,650,000 of the 25,000,000 Mutiny Performance Rights which Mutiny proposes to issue to Mutiny directors Mr Anthony James and Mr Rowan Johnston under the terms of the Mutiny Employee and Contractor Trust Plan upon the Offers being successful, with the remaining Mutiny Performance Rights lapsing.
4. Assumes no new securities are issued by Doray, except as contemplated under the Offers contained in this Bidder's Statement.
5. Based on the number of Mutiny Shares and Doray Shares and Mutiny Options that were 'in-the-money' as at the date of the announcement of the Offers. The actual percentage interest that Mutiny Securityholders will hold in the Combined Group will depend upon the extent to which Mutiny Options and Doray Options (including any Doray Options issued under the Option Offers) are exercised.

Based on **sections 2.2 and 4.3** of this Bidder's Statement, the table below summarises the five largest shareholders of the Combined Group assuming that Doray acquires 100% of Mutiny Securities and Mutiny Unlisted Options and no Doray Options or Mutiny Options are exercised.

<b>Name</b>	<b>Number of Doray Shares held post completion of the Takeover Bid</b>	<b>Current Relevant Interest in Doray %</b>	<b>Relevant Interest following completion of the Takeover Bid %</b>
SG Hiscock	13,367,547	8.06%	5.61%
Colonial First State/CBA	10,925,176	6.59%	4.58%
Mr Allan Kelly	10,318,633	6.22%	4.33%
Renaissance Asset Management	9,117,454	5.50%	3.82%
Ausdrill International Pty Ltd	6,432,748	nil	2.70%

### **5.3. Share Offer consideration**

The consideration for the acquisition of the Mutiny Shares to which the Share Offer relates will be satisfied by the issue of Doray Shares. Based on the number of Mutiny Shares on issue on the day before the date of this Bidder's Statement and the number of Mutiny Performance Rights which Mutiny proposes to allow to vest upon the Offer being successful, the maximum number of Doray Shares which would be required to be issued under the Share Offer if every Mutiny Shareholder accepted the Share Offer is 72,618,695 Doray Shares.

Doray has the capacity to issue the maximum number of Doray Shares which it may be required to issue under the Share Offer (including as a result of the exercise of Mutiny Options and the vesting of Mutiny Performance Rights in accordance with the Bid Implementation Agreement). Doray intends to apply for the quotation of Doray Shares that may be required to be issued under the Share Offer on the ASX within 7 days of the date the Share Offer opens in accordance with the Corporations Act.

### **5.4. Option Offer consideration**

The consideration for the acquisition of the Mutiny Listed Options to which the Option Offer relates will be satisfied by the issue of Doray Listed Options. The exercise price of the Doray Listed Options has been determined by reference to the exercise price of the Mutiny Listed Options and the exchange ratio under the Offers of one Doray Listed Option for every 9.5 Mutiny Listed Options held.

Based on the number of Mutiny Listed Options on issue on the day before the date of this Bidder's Statement, the maximum number of Doray Listed Options which would be required to be issued under the Option Offer if every Mutiny Optionholder accepted the Option Offer is 8,907,170.

Doray has the capacity to issue the maximum number of Doray Listed Options which it may be required to issue under the Option Offers. Doray intends to apply for the quotation of Doray Listed Options that may be required to be issued under the Option Offers on the ASX within 7 days of the date the Option Offers open in accordance with the Corporations Act.

## 5.5. Pro-forma Consolidated Financial Information for the Combined Group

### (a) Basis of presentation of pro-forma financial information

This section provides an overview of the financial effects of the Offers on Doray, based on the unaudited consolidated statements of financial position for each of Doray and Mutiny as at 30 September 2014, assuming that Doray acquires 100% of Mutiny Securities under the Offers and 100% of Mutiny Unlisted Options via the private offers described in **section 9.15** of this Bidder's Statement and with the pro-forma adjustments explained in **section 5.5(c)** below.

This section should be read in conjunction with the underlying financial information from which it is derived, Doray's current intentions regarding Mutiny set out in **section 6**, the risk factors set out in **section 8**, Doray's accounting policies and other information contained within this Bidder's Statement and Mutiny's Target's Statement.

This financial information has been prepared for illustrative purposes only and has been prepared on an abbreviated basis. It does not provide all the disclosure usually provided in an annual report in accordance with the Corporations Act.

Whilst the financial information below relating to each of Doray and Mutiny as at 30 June 2014 is based on their respective audited statements of financial positions as at that date, the adjustments made to reflect the activities of each of Doray and Mutiny up to 30 September 2014 are based on the unaudited financial statements of each of Doray and Mutiny as at 30 September 2014. Pro-forma adjustments and assumptions have also been made to reflect the terms of the Offers. It is assumed that the acquisition will be accounted for as an asset acquisition in accordance with applicable accounting standards. Doray will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after completion of the Offers.

All adjustments have been made in accordance with Australian Accounting Standards and International Financial Reporting Standards.

### (b) Combined Group pro-forma unaudited consolidated statement of financial position as at 30 September 2014

	Doray as at 30 June 2014 (\$'000)	Mutiny as at 30 June 2014 (\$'000)	Doray as at 30 Sept 2014 (\$'000)	Mutiny as at 30 Sept 2014 (\$'000)	Adjustment (\$'000)	Combined Group pro-forma (\$'000)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	15,656	3,037	13,548	1,576	-	15,124
Trade and other receivables	921	66	1,216	44	-	1,260
Inventories	6,070	-	5,868	-	-	5,868
Financial asset – gold hedge	4,728	-	3,996	-	-	3,996
Prepayments	41	-	57	-	-	57
<b>Total Current Assets</b>	<b>27,416</b>	<b>3,102</b>	<b>24,684</b>	<b>1,620</b>		<b>26,304</b>
<b>Non-Current Assets</b>						
Receivables	-	17	-	17	-	17
Property, plant and equipment	56,824	61	54,725	63	-	54,787
Exploration assets	10,697	41,974	13,900	42,971	(10,279) <sup>(i)</sup>	46,592
Mine development assets	13,879	-	14,638	-	-	14,638
Intangible assets	-	7	-	7	-	7
Deferred tax assets	5,953	-	5,953	-	-	5,953
<b>Total Non-Current Assets</b>	<b>87,353</b>	<b>42,058</b>	<b>89,216</b>	<b>43,057</b>	<b>(10,279)</b>	<b>121,994</b>

<b>TOTAL ASSETS</b>	<b>114,769</b>	<b>45,161</b>	<b>113,900</b>	<b>44,676</b>	<b>(10,279)</b>	<b>148,298</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Trade and other payables	20,160	201	19,650	201	2,922 <sup>(ii)</sup>	22,773
Provisions	1,298	39	1,398	39	-	1,437
Borrowings	14,664	7,662	13,361	8,510	-	21,871
<b>Total Current Liabilities</b>	<b>36,122</b>	<b>7,902</b>	<b>34,409</b>	<b>8,750</b>	<b>2,922</b>	<b>46,081</b>
<b>Non-Current Liabilities</b>						
Trade and other payables	-	-	-	-	-	-
Provisions	1,222	5	1,231	5	-	1,236
Borrowings	698	-	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>1,920</b>	<b>5</b>	<b>1,231</b>	<b>5</b>	<b>-</b>	<b>1,236</b>
<b>TOTAL LIABILITIES</b>	<b>38,042</b>	<b>7,907</b>	<b>35,640</b>	<b>8,755</b>	<b>2,922</b>	<b>47,317</b>
<b>NET ASSETS</b>	<b>76,727</b>	<b>37,254</b>	<b>78,261</b>	<b>35,922</b>	<b>(13,201)</b>	<b>100,981</b>
<b>EQUITY</b>						
Issued capital	90,412	42,966	90,900	42,966	(20,847)	113,019
Reserves	6,810	1,852	6,810	1,852	(1,250)	7,413
Accumulated losses	(20,495)	(7,564)	(19,450)	(8,896)	8,896	(19,450)
<b>TOTAL EQUITY</b>	<b>76,727</b>	<b>37,254</b>	<b>78,261</b>	<b>35,922</b>	<b>(13,201)</b>	<b>100,981</b>

The above pro-forma statement of financial position for the Combined Group indicates a net working capital deficit of approximately A\$19.8 million as at 30 September 2014. That working capital deficit primarily results from:

- Doray's net debt of approximately A\$12 million owing under its existing Andy Well project finance facility being classified as a current liability; and
- Mutiny's debt of approximately A\$8.5 million owing to Sandstorm which is to be repaid by no later than October 2015 also being classified as a current liability.

As set out in **section 1.7** of this Bidder's Statement, Doray is in discussions with its existing financier (as well as a number of other financial institutions) regarding the refinancing of the remaining project finance facility balance into a larger, more flexible corporate-style debt package to provide greater funding flexibility in respect of Doray's ongoing operations. Doray has also received inquiries from a range of financial institutions interested in providing debt funding in relation to the development of Deflector. Doray believes that it will be able to access debt and/or equity markets when required should it need to raise additional funds to address any working capital deficiency of the Combined Group.

### (c) Pro-forma adjustments and assumptions

The following adjustments and assumptions have been made in the preparation of the pro-forma unaudited consolidated statement of financial position of the Combined Group under the scenario set out in **section 5.5(b)**:

- (i) The difference between the fair value of the consideration provided for the acquisition of Mutiny and the carrying value of the identifiable assets and liabilities acquired of A\$10.279 million has been allocated against *Exploration Assets*. The fair value of Mutiny assets acquired and liabilities assumed has been assumed to equal their reported values as at 30 September 2014 with the exception of the *Exploration Assets* which have been adjusted to reflect the difference between the consideration paid and



the fair value of Mutiny's other assets and liabilities. The fair value of the consideration provided has been calculated using:

- the number of Doray Shares to be issued to Mutiny Shareholders;
- the number of Doray Shares to be issued in respect of any Mutiny Shares issued upon Mutiny Performance Rights vesting in favour of each of Mr Anthony James and Mr Rowan Johnston in accordance with the Bid Implementation Agreement – the issue by Mutiny of these Mutiny Performance Rights is subject to the approval of Mutiny shareholders at its 2014 annual general meeting; and
- the quoted price for Mutiny Listed Options and a Black and Scholes option valuation for all Mutiny Listed Options and Mutiny Unlisted Options.

On this basis, 72,618,695 Doray Shares will be issued under the Share Offer. Using a Doray share price of A\$0.3046 per share (being the 5 day VWAP of Doray Shares up to and including 13 November 2014, the last date practicable before finalising the above pro-forma statement of financial position), the value of the consideration provided under the Offers has been estimated at A\$22.7 million. The acquisition consideration is subject to change as the final number of Mutiny Shares on issue and the value of the Doray Shares issued under the Share Offer to effect the acquisition will be determined at the actual date of acquisition. The final purchase price allocation will be completed after the transaction is complete.

- (ii) Accrual of advisory fees, legal fees, and other incidental transaction costs on completion of the Offers (including fees that are estimated as being owing by Mutiny) are estimated at approximately A\$2.8 million. As at 30 September 2014, Doray had paid and/or accrued for approximately A\$360,000 of these fees. The remaining balance of approximately A\$2.43 million has been included as a current liability within trade and other payables with the balance of the adjustment against trade and other payables relating to a provision for redundancy costs.
- (iii) Doray's acquisition of all Mutiny Shares is based on the Share Offer consideration of one Doray Share for every 9.5 Mutiny Shares held. The maximum number of Doray Shares to be issued under the Share Offer is 72,618,695 (subject to rounding), which has an estimated value (using the same Doray share price noted in paragraph (i) above) at approximately A\$22.1 million. This assumes that:
  - none of the Mutiny Listed Options or Mutiny Unlisted Options are exercised during the Offer Period and that those options are accepted into the Options Offer. A Black and Scholes option valuation has been completed to include the value of the Mutiny Listed Options and the Mutiny Unlisted Options in the calculation of the fair value of consideration to be provided for the acquisition of Mutiny; and
  - only 11,650,000 of the Mutiny Performance Rights which are proposed to be granted to each of Mr Anthony James and Mr Rowan Johnston (which are subject to approval at the 2014 Mutiny annual general meeting) will vest during the Offer Period, with the unvested Mutiny Performance Rights lapsing in accordance with the Bid Implementation Agreement.
- (iv) Doray has an obligation to pay deferred consideration of A\$4 million to the vendor of the Andy Well Project by no later than 14 days after Doray achieves cumulative production of 100,000 ounces from the Andy Well Project. This milestone was reached in November 2014 such that the payment of this amount has been recorded as a current liability within trade and other payables in the above pro-forma statement of financial position for the Combined Group.
- (v) In connection with the Offers, Doray has agreed to provide A\$3 million of funding to Mutiny pursuant to a facility agreement. Funding will be provided in accordance with an approved budget to allow pre-development activities associated with the Deflector Project to continue. These funds are not available until 1 December 2014. Further details of the facility agreement are provided in **section 9.5**. On the basis that the Offers are successful, this loan will be an intra-group loan within the Combined Group such that no adjustment has been made to reflect the provision of this loan in the above pro-forma consolidated statement of financial position.

- (vi) Doray has estimated that it will spend approximately A\$2.65 million between October 2014 and January 2015 on realigning the Great Northern Highway associated with the Stage 2 open pit development in respect of the Andy Well Project. These costs (the majority of which will be incurred by the end of 2014) have not been included in the Combined Group pro-forma consolidated statement of financial position as at 30 September 2014. Doray also anticipates spending approximately A\$2.1 million on a tailings storage facility uplift in the first half of 2015. These costs have not been included in the above pro-forma statement of financial position.
- (vii) Doray will incur stamp duty on the acquisition of Mutiny, but the quantum of stamp duty payable and the timing of the payment have not yet been finalised. Accordingly, such costs have not been included in the above pro-forma statement of financial position.
- (viii) The impact of taxation has not been considered in the above pro-forma consolidated statement of financial position. Doray has received advice that the impact of taxation is unlikely to be material as at 30 September 2014.
- (ix) The accounting policies of Doray and Mutiny are similar and consistent in all material aspects.

#### **5.6. Financial outlook for the Combined Group**

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Doray, Mutiny or the Combined Group. Doray considers that a reasonable basis does not exist for producing such forecasts or projections that would be sufficiently meaningful and reliable to be of value to either set of shareholders, and that such forecasts or projections would be speculative and potentially misleading for Mutiny Shareholders, given:

- (a) a substantial portion of Doray's revenue from Andy Well currently depends upon the spot gold price – the US\$ gold price has been volatile in recent times and the future market prices for gold, taking into account fluctuations in exchange rates, are inherently uncertain;
- (b) development of, and production from, Mutiny's Deflector Project is subject to inherent risks associated with factors including material grades and quantities, mining and process equipment availability, the granting of production licenses, extraction and logistics costs, making financial forecasts or projections of future revenue or profit from the Deflector Project inherently uncertain; and
- (c) other than the Andy Well Project and the Deflector Project, the remainder of the Combined Group's assets are principally pre-development exploration projects.

#### **5.7. Dividends**

Given the funding requirements for the development of the Deflector Project, Doray expects that dividends are unlikely to be available from the Combined Group for the immediately foreseeable future.

## 6. Intentions of Doray

### 6.1. Approach and intentions of Doray

**Sections 6.2 to 6.4** set out the intentions of Doray on the basis of facts and public information concerning Mutiny which are known to Doray at the date of this Bidder's Statement. While Doray has had the opportunity to conduct due diligence on Mutiny, that due diligence was limited to reviewing publicly available information and certain non-public information made available by Mutiny. Doray will need to review all of the material information relating to Mutiny (including its Deflector Project) before being able to reach final decisions as to its intentions. Any final decisions will be made in light of material facts and circumstances at the relevant time and following completion of the review of Mutiny's operations referred to below.

Accordingly, the statements set out in these sections are statements of current intentions only and may vary as new information becomes available or circumstances change.

### 6.2. Intentions for Mutiny as a wholly owned controlled entity

This section describes Doray's intentions if Doray acquires a Relevant Interest in 90% or more of the Mutiny Shares and a sufficient number of the Mutiny Listed Options and the Mutiny Unlisted Options so as to become entitled to proceed to compulsory acquisition of the outstanding Mutiny Shares and Mutiny Listed Options in accordance with Part 6A.1 of the Corporations Act.

Doray intends (based on the information currently available to it) to implement its strategy for the Combined Group as set out below.

#### (a) Corporate matters

Doray intends to:

- proceed with the compulsory acquisition of any Mutiny Shares and Mutiny Listed Options not acquired under the Offers when it is entitled to do so in accordance with the Corporations Act;
- arrange for Mutiny to be removed from the official list of the ASX;
- appoint its own nominees to the Mutiny Board and its Subsidiaries and seek the retirement of all current members of the Mutiny Board (except for Mr Allan Brown) and all associated entities, in these circumstances, Doray intends to appoint Mutiny's current chairman, Mr Allan Brown, as a non-executive director of Doray; and
- amend the constitution of Mutiny to reflect its status as a wholly owned subsidiary of Doray.

#### (b) General operational review

After the end of the Offer Period, Doray intends to conduct an immediate, broad based review of Mutiny's operations on both a strategic and financial level to determine mechanisms for improving performance and realise any potential operational and financial synergies.

The detailed outcome of the review is not able to be determined at this stage, although it is likely to involve some, or all, of the following:

- (i) reviewing and assessing the development plan for the Deflector Project as contained in Mutiny's 'Mine Operators Review' announced by Mutiny on 4 August 2014;
- (ii) developing and building relationships with key stakeholders in the Deflector Project, including potential providers of engineering, procurement and construction services;
- (iii) continuing to progress the necessary activities required for the development of the Deflector Project as soon as practicable, this will likely include initiating or

progressing existing discussions relating to the project's financing and construction;

- (iv) assessing the capabilities and skills of Mutiny's existing employees, and matching these capabilities and skills with Doray's existing organisation, including identifying areas of duplication or overlap;
- (v) understanding any existing material third party contractual arrangements; and
- (vi) eliminating duplication of functions, systems or processes where it is economical to do so.

The key objective of this general operational review will be to ascertain the requirements to progress and optimise the development of the Deflector Project and to establish the operating and cost synergies from the incorporation of the Mutiny assets, relevant personnel and operations into the Doray operating structure.

Subject to prevailing market conditions, the results of the general operational review proposed to be conducted, the timing for completing the Offers and Doray Board approval, a development decision in relation to Deflector may be taken in the first half of 2015.

**(c) Intentions in regards to Mutiny's employees**

Doray intends to make Mutiny's executive directors, Mr Anthony James and Mr Rowan Johnston, redundant effective from the later of the date that Doray acquires control of Mutiny and 31 January 2015. Doray will make decisions regarding other senior management positions following the general operational review referred to above, and will implement those decisions through its nominee directors.

Doray will seek to retain relevant operational experience inherent in Doray's and Mutiny's existing staff. However, where Doray decides there is duplication, then the role will be filled by the best candidate in the opinion of the Doray management. Doray will consider whether there are opportunities elsewhere in the Combined Group for those employees whose positions may become redundant as part of the combining of management groups.

As a result of the implementation of these intentions, it is possible that certain operational functions will become redundant. While some redundancies may occur as a result, the incidence, extent and timing of such actions cannot be predicted in advance. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

It should be recognised that the growing of Doray's business will require additional resources with the specific skills of the current Mutiny team to be assessed against future requirements.

**6.3. Intentions for Mutiny as a part owned controlled entity**

Subject to arrangements agreed with Mutiny in the Bid Implementation Agreement summarised in **section 9.6** of this Bidder's Statement, Doray reserves the right to declare the Offers free from the 90% minimum acceptance condition (or any other condition) to the Offers. However, Doray has not decided whether it will free one or both of the Offers from the 90% minimum acceptance condition (or any other condition).

This **section 6.3** outlines Doray's intentions if, on completion of the Offers, Doray holds a sufficient number of Mutiny Shares to exercise control over the management and operations of Mutiny, but is not entitled to compulsorily acquire all outstanding Mutiny Shares and Mutiny Listed Options.

Doray's intentions in this situation are as follows:

**(a) Corporate matters**

As soon as practicable after Doray acquires a Relevant Interest in 50.1% of the Mutiny Shares and the Offers become unconditional, Doray intends:

- subject to the Corporations Act and Mutiny's Constitution, to seek to appoint its nominees to the Mutiny Board such that a majority of the Mutiny Directors are directors nominated by Doray. Doray would consider the recommendations in the ASX Corporate Governance Principles and Recommendations when determining the composition of the Mutiny Board. No decision has been made as to the identity of Doray's nominees at this point in time. Doray intends to make Mutiny's executive directors, Mr Anthony James and Mr Rowan Johnston, redundant effective from the later of the date that Doray acquires control of Mutiny and 31 January 2015; and
- subject to the continued compliance by Mutiny with the Listing Rules, to maintain Mutiny's listing on the ASX. However, in these circumstances, Mutiny Shareholders should be aware that the liquidity of Mutiny Shares on ASX may be materially adversely affected.

Even if Doray is not entitled to proceed to compulsory acquisition of minority holdings after the end of the Offer Period under Part 6A.1 of the Corporations Act, it may subsequently become entitled to exercise rights of general compulsory acquisition under Part 6A.2 of the Corporations Act. This could occur, for example, if Doray acquired further Mutiny Shares in reliance on the 3% creep exception provided in item 9 of section 611 of the Corporations Act. If any such rights of compulsory acquisition arise, Doray intends to exercise those rights.

**(b) Financing**

Under this scenario, Mutiny will remain responsible for raising capital to undertake development work. This may lead to a dilution of remaining Mutiny Shareholders as new capital is introduced into the company. To avoid further dilution, remaining Mutiny Shareholders may also be required to contribute to the capital needs of the company to make available sufficient funding to facilitate development plans and future exploration.

**(c) General operational review**

After the end of the Offer Period, Doray intends to encourage Mutiny to conduct an immediate broad based review of Mutiny's operations along similar lines as identified in **section 6.2(b)** above. Subject to the approval of the Mutiny Board, Doray intends to participate in this review.

**(d) Limitations in giving effect to intentions**

If Doray's nominees are appointed as Mutiny Directors, Doray will be seeking that its nominees implement the intentions set out above (based on the information currently available to it) as are consistent with Mutiny being a controlled entity of Doray but not a wholly owned subsidiary. The ability of Doray to implement any of the intentions set out in this **section 6.3** will be subject to, among other things:

- the legal obligations of the Mutiny Directors to have regard to the interests of Mutiny and Mutiny Shareholders;
- the requirements of the Corporations Act relating to transactions between related parties;
- the outcome of the general operational review;
- necessary third party and government consents; and
- potentially the Listing Rules relating to transactions between related parties.

It should be noted that Doray expects that each of its nominees to the Mutiny Board will exercise their own independent judgement and skill when it comes to the operational, financial and business decisions relating to Mutiny. Doray's only influence will be through its position as a majority shareholder in Mutiny.

**6.4. Other intentions**

Except for the changes and intentions set out in this **section 6** and subject to the outcome of the review referred to above, it is the present intention of Doray (based on the information presently available to it) to:

- (a) continue to hold the key assets of Mutiny and maintain its business in substantially the same manner as it is presently being conducted;
- (b) not make any major changes to the business or assets of Mutiny and not redeploy any of the fixed assets of Mutiny; and
- (c) continue the employment of Mutiny's key employees.

**6.5. Limitations in giving effect to intentions**

The ability of Doray to implement the intentions set out in this **section 6** will be subject to the legal obligations of the Doray Directors to have regard to the interests of Doray and all Doray Shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties. Doray will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

## 7. Australian tax implications

The following is intended only as a general guide to the income tax position under current Australian income tax law and administrative practice as at the date of this Bidder's Statement. Income tax is a complex area of law and the income tax implications for you may differ from those detailed below, depending on your particular circumstances. As these statements are of a general nature only it is recommended that you obtain your own independent professional advice in respect of the Australian income tax implications of the Offers.

The following is an overview of the likely Australian income tax implications as a consequence of the Takeover Bid for an Australian tax resident or non-Australian resident Mutiny Securityholder who holds their Mutiny Securities on capital account.

The following may not apply to certain Mutiny Securityholders, such as if you are a dealer in securities, you hold Mutiny Securities on revenue account or as trading stock, if you are an insurance company or a collective investment scheme, or if Division 230 of the Income Tax Assessment Act 1997 (**ITAA 1997**) applies to you and you have made an election to apply certain methods to calculating gains and losses. In addition, the following may not apply to you if you acquired your shares or options as a result of an employment or services arrangement. Such persons may be subject to special rules or any gain on the exchange of their Mutiny Securities for Doray Securities may be assessed as ordinary income.

The following may also not apply to non-Australian tax resident Mutiny Securityholders. The Australian income tax implications for non-Australian resident Mutiny Securityholders are complex and will depend upon their own specific circumstances. Non-Australian tax resident Mutiny Securityholders may also have tax implications in their country of residence.

### 7.1. Australian tax resident Mutiny Securityholders

#### a) Capital gains tax

The transfer of Mutiny Shares and/or Mutiny Listed Options to Doray pursuant to the Offers will trigger a capital gains tax (CGT) event for you. The income tax implications for you will depend on whether you receive Doray Shares and/or Doray Listed Options and, if eligible, choose to obtain scrip-for-scrip roll-over relief under Subdivision 124-M of the ITAA 1997 in relation to the disposal of your Mutiny Shares and/or Mutiny Listed Options. Broadly, you may choose to obtain scrip-for-scrip roll-over relief where Doray acquires the number of Mutiny Securities sufficient to bring its total interest in Mutiny to at least 80% of the voting shares in Mutiny and you:

- (a) receive Doray Shares in exchange for your Mutiny Shares or receive Doray Listed Options in exchange for your Mutiny Listed Options, as applicable;
- (b) acquired your Mutiny Shares or Mutiny Listed Options on or after 20 September 1985; and
- (c) would, apart from the application of the roll-over, make a capital gain from the disposal of your Mutiny Shares or Mutiny Listed Options.

#### b) Where scrip-for-scrip roll-over relief is chosen

Where the above conditions are met, Mutiny Securityholders who wish to obtain scrip-for-scrip roll-over relief must choose to obtain the roll-over relief.

Where scrip-for-scrip roll-over relief is chosen, any capital gain arising from the disposal of your Mutiny Securities will be disregarded and deferred until a CGT event occurs in respect of the Doray Shares and/or Doray Listed Options (as applicable) acquired by you under the Offers. The CGT cost base and reduced cost base of:

- each Doray Share received will be determined by apportioning, on a reasonable basis, the cost base and reduced cost base of your Mutiny Shares; and
- each Doray Listed Option received will be determined by apportioning, on a reasonable basis, the cost base and reduced cost base of your Mutiny Listed Options disposed of pursuant to the Option Offer.

If you can apply the discount capital gains tax rules in Division 115 of the ITAA 1997 and you choose scrip-for-scrip roll-over relief:

- your Doray Shares will be taken to have been acquired at the time your Mutiny Shares were originally acquired for the purposes of applying the CGT discount rules; and
- your Doray Listed Options will be taken to have been acquired at the time your Mutiny Listed Options were originally acquired for the purposes of applying the CGT discount rules.

Where a capital loss arises, you will not be eligible to obtain scrip-for-scrip roll-over relief.

**c) Where scrip-for-scrip roll-over is not chosen**

Where scrip-for-scrip roll-over relief is not chosen, you will make a capital gain equal to:

- the market value of your Doray Shares you are entitled to less the CGT cost base of your Mutiny Shares; and/or
- the market value of your Doray Listed Options you are entitled to less the CGT cost base of your Mutiny Listed Options.

In determining your capital gain, the market value of your Doray Shares or Doray Listed Options should be determined using the market value of those shares or options on the date you cease to have ownership of your Mutiny Shares or Mutiny Listed Options (as the case may be).

If you are an individual, trustee of a trust or superannuation fund, you may be entitled to concessional discount CGT treatment under Division 115 of the ITAA 1997 in respect of a capital gain. This will depend upon your individual circumstances.

If your reduced cost base of your Mutiny Shares or Mutiny Listed Options is greater than the market value of your Doray Shares or Doray Listed Options you are entitled to, you may realise a capital loss. A capital loss may be applied to reduce a capital gain in the same or a future tax year.

Where scrip-for-scrip roll-over relief is not chosen, the cost base of the Doray Shares and/or Doray Listed Options will be equal to their respective market values, as determined on the date the relevant Doray Shares and/or Doray Listed Options are allotted or issued.

Where scrip-for-scrip roll-over relief is not chosen, the acquisition date of the Doray Shares and/or Doray Listed Options for CGT purposes will be the date on which the Doray Shares or Doray Listed Options (as the case may be) are allotted or issued to you.

**7.2. Non-Australian resident Mutiny Securityholders**

Non-Australian resident Mutiny Securityholders that hold Mutiny Securities on capital account would only be subject to Australian capital gains tax upon disposal of their Mutiny Securities where the following conditions are met:

- the non-Australian resident Mutiny Securityholder, together with its associates, holds 10 per cent or more of Mutiny's issued securities at the time of disposal or for any 12 month period in the 24 months prior to disposal; and
- more than 50 per cent of the market value of the assets of Mutiny is represented (directly or indirectly) by real property interests or mining rights in respect of certain resources in Australia.

If CGT applies, concessional CGT discount treatment is not available to non-Australian residents in relation to the disposal of Mutiny Securities acquired after 8 May 2012.

**7.3. Stamp Duty**

If you accept the Offers you will not be required to pay any stamp duty on the disposal of your Mutiny Shares and/or Mutiny Listed Options under the Offers, on the acquisition of Doray Shares and/or Doray Listed Options under the Offers, or on a subsequent disposal of Doray Shares and/or Doray Listed Options.



**7.4. GST**

None of the following transactions is subject to Australian GST:

- (a) the transfer of Mutiny Securities pursuant to the Offers (except brokerage if any);
- (b) the payment of dividends on Doray Shares; and
- (c) a disposal of Doray Securities (except brokerage if any).

## 8. Risk factors

### 8.1. Overview

If the Offers become unconditional, Mutiny Securityholders who accept the Offers (other than Foreign Securityholders) will become shareholders and optionholders in Doray, and Doray will acquire an interest in Mutiny.

A number of risks and uncertainties, which are both specific to Doray and the Combined Group and of a more general nature, may affect the future operating and financial performance of the Combined Group and the value of Doray Shares and Doray Listed Options. There are also additional risks relating to the Offers and the Combined Group, to which Mutiny Securityholders will be exposed through their holding Doray Shares and Doray Listed Options. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, while others can be covered by insurance, but some are outside the control of Doray and cannot be mitigated or insured against. Many of these risks also affect the businesses of other companies operating in the same industry.

The risks set out in this **section 8** are not exhaustive of all the risks faced or that may be faced by Doray Securityholders. The risks are general only and do not take into account your individual objectives, financial situation or needs. You should carefully consider the following risk factors, as well as other information provided by Doray, and consult your professional advisers before deciding whether to accept the Offers.

### 8.2. Specific risks relating to Doray and the Combined Group

#### Commodity prices

The Combined Group's main source of revenue will be derived through the sale of gold. Accordingly, the Combined Group's financial performance will be exposed to fluctuations in the gold price.

Gold prices are affected by numerous factors beyond the control of the Combined Group including the level of production costs in major gold-producing regions, global and regional demand for, and supply of, gold and macroeconomic factors such as expectations regarding inflation and interest rates. Doray cannot provide any assurance as to the prices the Combined Group will achieve for gold. Changes in gold prices may have a positive or negative effect on the Combined Group's project development and production plans and activities, together with its ability to fund those plans and activities. The risks associated with such changes may be minimised by any hedging Doray or the Combined Group undertake.

If the gold price falls below the Combined Group's production costs and remains at such levels for any sustained period of time, it may not be economically feasible to commence or continue production. Future production from the Combined Group's mineral properties will be dependent upon the price of gold being adequate to make these properties economic. Future serious price declines in the market value of gold could cause the development of, and any commercial production from, a project to be rendered uneconomic. This would materially and adversely affect production, profitability and the Combined Group's financial position. The Combined Group may, against a decline in the gold prices, experience losses and may determine to discontinue operations or development of a project or mining at one or more of its properties. If the price of gold drops significantly, the economic prospects of the projects in which the Combined Group has an interest could be significantly reduced or rendered uneconomic.

A decline in the market prices of gold may also require the Combined Group to write down its Ore Reserves and Mineral Resources which would have a material and adverse effect on its earnings and profitability. Should any significant write-down in reserves and resources be required, material write-down of the Combined Group's investment in the affected mining properties and increased amortisation, reclamation and closure expenses may also be required.

#### Exchange rates

The revenue of Doray is, and of the Combined Group will be, derived from the sale of gold and other minerals which are typically priced in US dollars. However, the costs of Doray and the Combined Group will mostly be in Australian dollars, exposing the Combined Group to the fluctuations and volatility of the exchange rate between the US and Australian dollars. The risks associated with such fluctuations and volatility may be minimised by any currency hedging Doray or the Combined Group may undertake.

**Compliance with project finance facility ratios**

Doray currently has a project finance facility in respect to its Andy Well Project that requires Doray to maintain certain financial ratios within pre-determined ranges. Failure to comply with these covenants can lead to amounts outstanding under the existing project finance facility becoming immediately repayable.

Doray's compliance with those financial ratios is subject to a range of factors, some of which are outside of Doray's control. For example, the significant decrease in the Australian dollar gold price since Doray completed its Bankable Feasibility Study for the development of the Andy Well Project has negatively impacted upon Doray's ability to comply with certain financial ratios in its existing project finance facility. Where Doray has encountered issues in complying with the agreed financial ratios in its existing project finance facility, Doray has obtained waivers of those requirements from its existing financier. However, there is no certainty that further waivers would be forthcoming if such issues arise in the future.

Doray maintains a good relationship with its existing financier, and is in discussions with them (as well as a number of other financial institutions) regarding the refinancing of the remaining project finance facility balance into a larger, more flexible corporate-style debt package to provide greater funding flexibility in respect of Doray's ongoing operations.

**Estimates**

The Mineral Resources and Ore Reserves of the Combined Group are estimates only and no assurance can be given that any particular level of recovery of gold or other minerals will in fact be realised or that an identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be economically exploited. Mineral Resources which are not Ore Reserves may not have demonstrated economic viability.

These estimates are prepared in accordance with the JORC Code 2012 and are expressions of judgement based on knowledge, experience and industry practice, and may require revision based on actual production experience which could in turn affect the Combined Group's mining plans and ultimately its financial performance and value. Estimates that are valid when made may change significantly when new information becomes available.

In addition, gold price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render reserves and resources uneconomic and so may materially affect the estimates.

**Development and mining**

The Combined Group's projects are at various stages of exploration, development and production. Ultimate and continuous success of activities is dependent on a number of factors including:

- the discovery and/or acquisition of economically recoverable Ore Reserves;
- access to adequate capital to fund and develop its projects;
- construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to interests;
- obtaining regulatory consents and approvals necessary for the conduct of mineral exploration, development and production; and
- retention of appropriately skilled and experienced employees, contractors and consultants.

The Combined Group's operations may be delayed or prevented as a result of factors including weather conditions, mechanical difficulties or a shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third party approvals, operational difficulties encountered with construction, extraction and production activities, unexpected shortages or increase in the price of consumables, plant and equipment, cost overruns or lack of access to required levels of funding.

The Combined Group's operations may be curtailed or disrupted by a number of risks beyond its control such as environmental hazards, industrial accidents and disputes, technical failures, unusual or unexpected geological conditions, adverse weather conditions, fires, explosions and other accidents.

The Combined Group's operations may be adversely affected by higher than anticipated ore treatment costs, worse than anticipated metallurgical conditions, fluctuations in metal prices or lack of availability of treatment plant capacity.

The occurrence of any of these circumstances could result in Doray not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on the Combined Group's financial and operational performance.

Possible future development of mining operations at any of the Combined Group's projects is also subject to numerous risks. No assurance can be given that the Combined Group will achieve commercial viability through development of any of its projects.

In addition, for development projects, as with most metalliferous mines, reserves, resources and stockpiles are based on estimates of grade, volume and tonnage. The accuracy and precision of these estimates will depend upon drill spacing and other information such as continuity, geology, rock density, metallurgical characteristics, mining dilution and costs which evolve as the mine moves through different parts of the ore body.

### **Exploration risk**

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Combined Group from successfully exploiting the resource.

### **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements, or current or future production tenements will be approved.

Tenements are subject to numerous State-specific legislative conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Combined Group.

### **Compulsory work obligations**

Tenements are subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. These commitments may be varied by the tenement holder but any such variation is at the sole discretion of the minister administering the relevant State mining legislation. If no variation is approved, and there is a failure to meet the commitments, this could lead to forfeiture of the tenement.

### **Future funding requirements**

The Combined Group may require additional funding to carry out further exploration, undertake feasibility studies and develop its mining operations including the Deflector Project.

Any additional equity financing may be dilutive to Doray Shareholders and may be undertaken at prices lower than the current market price for Doray Securities. Debt financing, if available, may impose restrictions on operating activities or anticipated expansion of the Combined Group's operations.

If the Combined Group is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its regional exploration programmes as the case may be and could have a material adverse effect on the Combined Group's activities and its ability to continue as a going concern. Failing to meet minimum expenditure requirements in respect to the exploration assets of Doray, and those of the Combined Group, may lead to the forfeiture of those exploration rights, in addition to giving rise to potential contractual claims. There is no guarantee that the Combined Group will be able to secure any additional funding or be able to secure funding on terms favourable to the Combined Group.

### 8.3. General risks

#### Environmental

The operations and activities of the Combined Group are subject to the environmental laws and regulations of Australia and the other places it conducts business. As with all mining operations and exploration projects, the Combined Group's operations and activities are expected to have an impact on the environment.

The development of future projects could be expected to have numerous environmental impacts which would require various statutory approvals to be put in place. There is no guarantee that such approvals would be granted. The Combined Group intends to conduct its operations in an environmentally responsible manner and in accordance with relevant legislation. However, the Combined Group is unable to predict the effect of future changes to environmental legislation or policy and the cost effect of such changes on its operations and financial position.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Combined Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Combined Group's business, financial condition and performance.

#### Native title and Aboriginal Heritage

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Combined Group to carry out exploration or obtain production tenements. In applying for certain production tenements, the Combined Group must observe the provisions of Native Title legislation (where applicable) and Aboriginal Heritage legislation which protects Aboriginal sites and objects of significance.

In certain circumstances the consent of registered Native Title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the conditions imposed by Native Title claimants on such consent may be on terms unacceptable to the Combined Group.

If any known, or currently as yet undiscovered, Aboriginal Heritage sites are present on the tenements of the Combined Group there is a risk that the presence of such sites may limit or prevent exploration or mining activity on the affected areas of those tenements. The failure to obtain the approval of the relevant minister to impact Aboriginal Heritage sites can result in offences being committed and significant fines or orders to stop work being made.

#### Exploitation of discoveries

It may not always be possible for the Combined Group to exploit successful discoveries that may be made in areas in which it has an interest. Exploitation involves obtaining the necessary licences, permits and regulatory consents and authorisations. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may differ from the Combined Group's.

#### Contractual risks

The Combined Group will rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. The Combined Group will also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Combined Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

#### Labour market and key personnel risks

Doray is dependent upon a number of key management personnel and executives to manage the day-to-day requirements of its businesses. Although Doray enters into employment and incentive arrangements with such personnel to secure their services, it cannot guarantee the retention of their services. The loss of the services of one or more key management personnel could have an adverse effect on the Combined Group.

Doray needs to be able to recruit appropriately skilled and qualified individuals. There can be no guarantee that personnel with the appropriate skills will be available.

**Competition**

The Combined Group will compete with other companies, including major gold companies in Australia and internationally. Some of these companies will have greater financial and other resources than the Combined Group and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Combined Group can compete effectively with these companies.

**Changes in Australian government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Combined Group, and consequent returns to investors. The activities of the Combined Group will be subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards, occupational health and safety and other matters.

The Western Australian Government is due to review State royalties at the end of 2014 which may or may not result in an increase in royalties. Any increase in government royalties may affect the viability and profitability of the Combined Group, and consequently returns to investors. The Department of Mines and Petroleum is also undertaking a review of its mine closure guidelines. Any changes which result in an increase in related liability may also have an adverse impact on the Combined Group and its financial position.

**Economic conditions**

The operating and financial performance of the Combined Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, oil prices, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets, and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war, or natural disasters. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have an adverse impact on the Combined Group's operating and financial performance and financial position.

The Combined Group's future possible revenues and share prices can be affected by these facts, which are beyond Doray's control.

**Market conditions**

Share market conditions may affect the value of the Doray's quoted securities regardless of Doray's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular.

The past performance of Doray is not necessarily an indication as to the future performance of Doray or the Combined Group as the trading price of shares can go up or down. Neither Doray nor the Doray Directors warrant the future performance of Doray or the Combined Group, or any return on an investment in Doray.

**Infrastructure**

Mining, processing, development and exploration activities depend on adequate infrastructure being put in place including the purpose built processing facility to be constructed for the Deflector Project. Securing access to infrastructure at commercially reasonable rates will be important. If this cannot be achieved, there is a risk that the project economics will be materially affected.

There is no assurance that such infrastructure can be put in place or that the capital will be available to the Combined Group on satisfactory terms, or at all, in order to build and maintain such infrastructure, which would have a material adverse effect on the Combined Group's financial condition and results of operations.

#### **Insurance and uninsurable risks**

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, ground or slope failures, fires, floods, earthquakes, cyclones and other environmental occurrences, as well as political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining caused by industrial accidents or labour disputes or changes in regulatory environment, monetary losses and possible legal liability. It is not always possible to obtain insurance against all such risks and Doray may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Doray or to other companies in the mining industry on acceptable terms.

Although Doray maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all potential risks associated with its operations, and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of Doray Shares and Doray Listed Options.

#### **Dividends**

Any future determination as to the payment of dividends by the Combined Group will be at the discretion of the Doray Directors and will depend on the financial condition of the Combined Group, future capital requirements and general business and other factors considered relevant by the Doray Directors at the time. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Combined Group.

### **8.4. Risks specifically relating to the Offers and the Combined Group**

#### **Issue of Doray Shares and Doray Listed Options as consideration**

Mutiny Securityholders are being offered Doray Shares and/or Doray Listed Options as consideration under the Offers. As a result, the value of the consideration will fluctuate depending upon the market value of Doray Shares or Doray Listed Options. The market value of Doray Shares or Doray Listed Options at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offers.

Furthermore, some of the Mutiny Securityholders that receive Doray Shares or Doray Listed Options as consideration under the Offers may not intend to continue to hold those Doray Securities and may wish to sell them on ASX. There is a risk that if a significant number of Mutiny Securityholders seek to sell their Doray Securities, this may adversely impact the price of Doray Shares and Doray Listed Options.

#### **Integration risks**

There are risks that any integration between the businesses of the Doray Group and the Mutiny Group may take longer than expected and that anticipated efficiencies and benefits of that integration may be less than estimated. These risks include possible differences in the management culture of the two groups, inability to achieve synergy benefits and cost savings and access tax losses, and the potential loss of key personnel.

While Doray expects that value will be added through the Offers, there is a risk that the full benefits may be achieved only in part, or not at all.

#### **Acquisition of less than 100% of Mutiny Securities**

It is possible that Doray will acquire less than 100% of Mutiny Securities under the Offers. The impact on the Combined Group of this outcome will depend on the ultimate level of ownership acquired by Doray, but, in any event, the existence of minority interests in Mutiny may have an impact on the Combined Group's capacity to integrate the businesses of the Doray Group and the Mutiny Group and to fully realise synergies.

**Scrip-for-scrip CGT roll-over relief**

If Doray does not acquire the number of Mutiny Securities sufficient to bring its total interest in Mutiny to at least 80% of the voting shares, scrip-for-scrip CGT roll-over relief will not be available to holders of Mutiny Securities. A general summary of the tax consequences to holders of Mutiny Securities as a result of accepting the Offers is set out in **section 7** of this Bidder's Statement.



## 9. Additional information

### 9.1. Bid Implementation Agreement

On 28 October 2014, Doray and Mutiny announced that they had entered into the Bid Implementation Agreement. A full copy of the Bid Implementation Agreement was released by Doray to the ASX with that announcement and is available on the Doray 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).

The key terms of the Bid Implementation Agreement are summarised below. The conditions of the Offers as included in the Bid Implementation Agreement are set out in **sections 10.11 and 11.11** of this Bidder's Statement.

#### (a) Exclusivity arrangements

The Bid Implementation Agreement contains certain exclusivity arrangements in favour of Doray. These arrangements are set out in full in clause 6 of the Bid Implementation Agreement. In summary, Mutiny has agreed to the following exclusivity arrangements:

- (i) **Cease discussions** – Mutiny must immediately cease any discussions or negotiations existing as at 28 October 2014 relating to any actual, proposed or potential Third Party Proposal, unless Doray's prior written consent has been obtained;
- (ii) **No shop** – Mutiny must not, and must ensure that none of its representatives, solicit, invite, initiate or encourage the submission of, any enquiries, negotiations or discussions, which might encourage or lead to obtaining any expression of interest, offer or proposal in relation to an actual, proposed or potential Third Party Proposal or communicate to any person an intention to do any of these things;
- (iii) **No talk and no due diligence** – Mutiny must not, and must ensure that its representatives do not, enter into or participate in any discussions or negotiations, grant any other person any right or access to conduct due diligence investigations in respect of any member of the Mutiny Group, disclose or otherwise provide any non-public information in relation to any member of the Mutiny Group, enter into an agreement, arrangement or understanding which would reasonably be expected to encourage or lead to a Third Party Proposal or communicate to any person an intention to do any of these things, unless the Mutiny Board determines in good faith that the Third Party Proposal is bona fide and it is, or would reasonably be expected to lead to, a Superior Proposal and after receiving written legal advice from its external legal advisors that compliance with such obligations would be likely to constitute a breach of the fiduciary or statutory duties of the directors of Mutiny or would reasonably be expected to lead to a contravention of law (the **fiduciary out exception**);
- (iv) **Notification of approaches** – Mutiny must promptly notify Doray in writing of any approach, inquiry or proposal made to, and any attempt to initiate negotiations or discussions with, Mutiny or any of its representatives with respect of any actual, proposed or potential Third Party Proposal, or any request for information relating to Mutiny or any member of the Mutiny Group or any of their businesses or operations if Mutiny has reasonable grounds to suspect that it may relate to an actual, proposed or potential Third Party Proposal, and provide certain details relating to the Third Party Proposal, unless the fiduciary out exception applies; and
- (v) **Matching right** – Mutiny must not enter into any agreement, arrangement or understanding in relation to an actual, proposed or potential Third Party Proposal, and must use its best endeavours to procure that none of the Mutiny Directors change their recommendation in favour of the Offers to publicly recommend an actual, proposed or potential Third Party Proposal unless the fiduciary out exception applies or:
  - the Mutiny Board has reasonably determined in good faith that the Third Party Proposal is bona fide and that, after receiving the benefit

of financial and legal advice, the Third Party Proposal is or would reasonably be expected to lead to a Superior Proposal;

- Mutiny has provided Doray the material terms of the Third Party Proposal and the identity of the person making or proposing the Third Party Proposal;
- Mutiny has given Doray not less than three Business Days after provision of such information to consider the Third Party Proposal and make a new proposal or propose a revision to the Offers which is on terms no less favourable than the terms of the Third Party Proposal (**Counterproposal**); and
- Doray has not announced a Counterproposal by the expiry of the three Business Day period referred to above.

**(b) Break fee**

Mutiny has agreed to pay Doray a break fee of A\$360,000 (exclusive of GST) in certain circumstances. The circumstances are set out in full in clause 7.2 of the Bid Implementation Agreement. In summary, the break fee will be payable to Doray if:

- (i) **Change of recommendation** – on or before the End Date, any Mutiny Director makes any public statement to the effect that they do not recommend (or no longer recommend) one or both of the Offers or fails to recommend that Mutiny Shareholders and Mutiny Optionholders accept the Offers in the absence of a Superior Proposal, or having done so, any Mutiny Director publicly withdraws or adversely varies or qualifies their favourable recommendation of the Offers;
- (ii) **Third Party Proposal** – on or before the End Date, any Mutiny Director publicly recommends, promotes or otherwise endorses in any way a Third Party Proposal, or a Third Party Proposal is announced and within 12 months of the date of such announcement, the person proposing the Third Party Proposal or any of its associates:
  - (1) completes a Third Party Proposal;
  - (2) enters into any agreement, arrangement or understanding prior to the close of the Offers that requires Mutiny to abandon, or otherwise fail to proceed with, the Offers or which is otherwise materially prejudicial to the Offers; or
  - (3) acquires a Relevant Interest in more than 50% of Mutiny Shares or acquires Control of Mutiny;
- (iii) **Material breach** – Doray terminates the Bid Implementation Agreement in relation to a material breach by Mutiny; or
- (iv) **Breach of condition** – any of the conditions in **sections 10.11** and **11.11** of this Bidder's Statement (other than the conditions in **sections 10.11(h)** and **11.11(h)**) are breached or become incapable of being fulfilled, in either case due to an act or omission of Mutiny, a Related Body Corporate of Mutiny or a Mutiny Director, provided that those conditions are not waived by Doray prior to that breach.

If, despite the occurrence of any of the above circumstances, Doray becomes the registered legal and beneficial holder of not less than 50.1% of Mutiny Shares before the End Date as a result of the transfer of Mutiny Shares accepted under the Offers, Doray must repay to Mutiny any amount received by it by way of payment of a break fee.

**(c) Conduct of business**

The Bid Implementation Agreement sets out in clause 4.7 the obligations of Mutiny from the date of the Bid Implementation Agreement until the End Date in relation to its conduct of business.

Amongst other things:

- (i) Mutiny must, and must procure that each member of the Mutiny Group, carry on its business in the usual and ordinary course and on a basis consistent with

the manner in which it was conducted prior to the date of the Bid Implementation Agreement;

- (ii) Mutiny must, and must procure that each member of the Mutiny Group, keep Doray regularly informed of the conduct of its business and must consult with Doray on material matters concerning the financial affairs and operations of the Mutiny Group;
- (iii) Mutiny must, and must procure that each member of the Mutiny Group, take reasonable steps to preserve and maintain the value of their business;
- (iv) Mutiny must not, and must procure that each member of the Mutiny Group does not, enter into, vary, amend, modify or terminate any Material Contract; and
- (v) Mutiny must not permit any Mutiny Performance Rights to vest as a result of the execution of the Bid Implementation Agreement and more than a specified number of Mutiny Performance Rights to vest as a result of Doray obtaining a Relevant Interest in at least 50.1% of the Mutiny Shares and the Share Offer becoming unconditional or otherwise being declared by Doray to be free of all conditions as set out in **section 10.11** of this Bidder's Statement, and must procure that any residual Mutiny Performance Rights that have not vested in accordance with this paragraph immediately lapse.

Clause 4.8 of the Bid Implementation Agreement also sets out the obligations of Doray during the same period.

**(d) Board changes**

The Bid Implementation Agreement sets out in clause 4.11 and 4.12 the obligations of each of Mutiny and Doray in relation to the composition of their respective Boards.

In summary, if the Share Offer becomes unconditional or is declared by Doray to be free of all conditions and Doray has relevant interests in more than:

- (i) 50.1% of the Mutiny Shares, then Mutiny must use its best endeavours to cause the appointment as Mutiny directors of that number of persons nominated by Doray that would constitute a majority of the directors on the Mutiny Board; or otherwise
- (ii) 90% of the Mutiny Shares, then Mutiny must use its best endeavours to ensure that all directors on the Mutiny Board other than Doray's nominees and Mr Allan Brown resign, provided always that a proper board is constituted at all times.

If the Share Offer becomes unconditional or is declared by Doray to be free of all conditions and Doray has relevant interests in more than 50.1% of the Mutiny Shares, then Doray must use its best endeavours to cause the appointment of Mr Allan Brown (being an existing non-executive director of Mutiny) as a non-executive director of Doray on terms consistent with the terms of appointment of Doray's other non-executive directors (excluding the chairman of the Doray Board).

**(e) Termination**

Either Doray or Mutiny may terminate the Bid Implementation Agreement by written notice to the other at any time after the date in paragraph (a) of the definition of End Date, or if:

- (i) the other party is in material breach of the Bid Implementation Agreement and (if capable of remedy) has failed to remedy the breach within five Business Days of written notice from the first party notifying the other party of the breach;
- (ii) any Public Authority has issued any order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Offers, or has refused to do anything necessary to permit the Offers, and the action is final and cannot be appealed or reviewed or the party reasonably believes (after receiving external legal advice) that any appeal or review is unlikely to succeed; or
- (iii) the Mutiny Board or a majority of the Mutiny Board changes its recommendation to the takeover bid as a result of the Mutiny Board or a

majority of the Mutiny Board determining that a Third Party Proposal is a Superior Proposal.

Doray may also terminate the Bid Implementation Agreement by written notice to Mutiny with immediate effect if any of the circumstances in **sections 9.1(b)(i) and 9.1(b)(ii)** occur.

Mutiny may also terminate the Bid Implementation Agreement by written notice to Doray with immediate effect if at any time before the End Date, a material adverse change or prescribed occurrence occurs in relation to Doray.

## 9.2. Doray's due diligence

For the purposes of confirming its assessment whether or not to proceed with the Offers, Doray was given access by Mutiny under a confidentiality agreement and undertook due diligence from 9 September 2014 to 27 October 2014 in relation to certain information concerning Mutiny which has not been disclosed generally to Mutiny Shareholders. Otherwise than as contained elsewhere in this Bidder's Statement none of the information to which it was given access is of such a nature and which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Mutiny Shares.

The fact, however, that Doray's decision to make the Offers was confirmed by its review of the information to which it had access may itself be regarded as information material to a decision whether or not to accept an Offer.

## 9.3. Mutiny's due diligence

Mutiny was given access by Doray under a confidentiality agreement and undertook due diligence in relation to certain information concerning Doray which had not been disclosed to Doray Shareholders. The fact that the decision of the Mutiny Directors to recommend the Offers was made after having regard to Mutiny's review of the information to which it had access may itself be regarded as information material to a decision whether or not to accept the Offers.

## 9.4. Pre-bid acceptance agreements

On 28 October 2014, Doray announced it had entered into pre-bid acceptance agreements with each of the following Mutiny Shareholders (**Pre-Bid Shareholders**) and each agreed to accept the Share Offer for the number of Mutiny Shares set out in the table below.

Pre-Bid Shareholder	Number of Mutiny Shares
Ausdrill International Pty Ltd	59,393,042
Drake Private Investments, LLC	38,500,000
Sandstorm Gold Limited	28,807,040

The Pre-Bid Shareholders have agreed to accept the Share Offer in respect of the above Mutiny Shares within 10 business days of the Share Offer being open for acceptance, provided that no Higher Offer is made prior to that date.

The pre-bid acceptance agreements will terminate automatically if:

- Doray does not dispatch the Offers within two months of 28 October 2014 or any extension of that time period granted by ASIC;
- a Higher Offer is made prior to the date that the Pre-Bid Shareholder accepts the Offers and Doray does not make a revised offer within 10 business days after that Higher Offer is made;
- the Offers lapse without being freed from of all defeating conditions as set out in **sections 10.11 and 11.11** of this Bidder's Statement; or
- a court or the Takeovers Panel decides that all or any part of the transactions contemplated in the pre-bid acceptance agreements constitute unacceptable circumstances.

Under the terms of the pre-bid acceptance agreements, the Pre-Bid Shareholders are not permitted to sell, dispose of, encumber or otherwise deal with any of their respective number of Mutiny Shares set out in the table above unless it is in accordance with the pre-bid acceptance agreement.

The full terms of the pre-bid acceptance agreements were released to ASX on 28 October 2014 as an annexure to Doray's Notice of Initial Substantial Holder dated 28 October 2014.

### 9.5. Facility agreement

On 28 October 2014, Doray announced that it and Mutiny had entered into a facility agreement. Under the facility agreement, Doray has agreed to provide an unsecured loan of up to A\$3,000,000 to Mutiny. Mutiny can draw down on the loan by issuing to Doray a funding notice. Funds drawn down under the facility agreement are to be used to fund certain agreed early works in relation to the development of the Deflector Project. Interest on the loan is payable at 12% per annum on amounts drawn.

Mutiny is required to repay any amounts advanced under the loan facility in full if any of the following events occur:

- immediately if an event of default occurs under the facility agreement. The events of default in the facility agreement are customary for an agreement of this kind and include an insolvency event occurring in relation to a member of the Mutiny Group, any member of the Mutiny Group implementing a merger, demerger or scheme of arrangement with any person without prior written approval of Doray, any member of the Mutiny Group ceasing to carry on business, Mutiny ceasing to have its ordinary shares listed for trading on the ASX and the constituent documents of any member of the Mutiny Group being amended in a manner that has or is reasonably likely to have a material adverse effect;
- within 5 business days if:
  - a majority of Mutiny Directors recommend a Third Party Proposal (in which case Doray is also entitled to an amount equal to the interest foregone as a result of early repayment of the loan);
  - any person (other than Doray) acquires voting power of more than 30% in Mutiny Shares, or Doray otherwise terminates the Bid Implementation Agreement due to a material breach of that agreement by Mutiny;
  - Mutiny receives an amount in cash exceeding A\$1,000,000 as a result of one or more issues of new equity, debt or hybrid securities; or
- if the Bid Implementation Agreement is terminated for reasons other than that set out above, within three months of the date of termination of the Bid Implementation Agreement.

Mutiny has given undertakings, representations and warranties customary for a facility of this nature.

### 9.6. Restrictions on extending the Offer Period and waiving minimum acceptance condition

In the Bid Implementation Agreement, Doray has agreed that it will not extend the Offer Period beyond 28 April 2015 unless:

- (a) Doray has obtained a Relevant Interest in at least 50.1% of the Mutiny Shares prior to that time; or
- (b) the prior written consent of Mutiny has been obtained (such consent not to be unreasonably withheld or delayed).

Further, Doray has agreed in the Bid Implementation Agreement not to waive:

- the 90% minimum acceptance condition contained in **section 10.11(a)** unless Doray has acquired a Relevant Interest in at least 50.1% of the Mutiny Shares, or the prior written consent of Mutiny has been obtained; or
- the conditions contained in **sections 10.11(h)** and **11.11(h)** relating to the Bid Implementation Agreement not being terminated by Mutiny, unless the prior written consent of Mutiny has been obtained.

As set out in **sections 10.12 and 11.12**, the Share Offer and Option Offer, and any contract that results from your acceptance of them, are subject to a condition that permission for admission to Official Quotation by ASX of the relevant Doray Shares and Doray Listed Options to be issued pursuant to those Offers is sought no later than 7 days after the start of the Offer Period and is granted no later than 7 days after the end of the Offer Period. The Offers cannot be freed of these conditions and consequently no statements made by Doray can be taken to waive this condition. Whilst Doray intends to apply for Official Quotation on ASX of the Doray Shares and Doray Listed Options to be issued under the Offers, quotation will not be automatic but will depend on ASX exercising its discretion. Doray cannot guarantee, and does not represent or imply, that Doray Shares or Doray Listed Options will be listed on ASX following their issue. In particular, to meet ASX requirements for quotation of the Doray Listed Options, there will need to be at least 100,000 Doray Listed Options issued as well as at least 50 holders of Doray Listed Options holding a marketable parcel (as that term is defined in the Listing Rules).

Mutiny Shareholders should be aware that Doray may decide to waive conditions of the Share Offer without waiving the equivalent condition or conditions of the Options Offer, and vice versa.

#### 9.7. Disclosure of interests/fees and benefits payable to Doray Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) Doray Director or proposed Doray Director;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Doray; or
- (d) broker or underwriter in relation to the issue of Doray Securities pursuant to the Offers, has, or had within 2 years before the date of this Bidder's Statement, any interest in:
  - (i) the formation or promotion of Doray;
  - (ii) any property acquired or proposed to be acquired by Doray in connection with its formation or promotion or in connection with the issue of Doray Securities under the Offers; or
  - (iii) the offer or issue of Doray Securities under this Bidder's Statement.

Other than as set out elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Doray Director or otherwise for services rendered by the person in connection with the formation or promotion of Doray or the offer of Doray Securities under this Bidder's Statement.

For completeness, it is noted that Debnal Pty Ltd (**Debnal**), a company controlled by Mr Allan Kelly, Doray's Managing Director, agreed to sell its interests in certain mining tenements to Doray in 2009. In consideration of that sale, Debnal received consideration which included a total of 5 million Doray Shares and 2.25 million Doray Unlisted Options. As part of the sale of a tenement in South Australia, Doray agreed, on its discovery of a resource exceeding 250,000 ounces of gold, to pay Debnal a royalty of A\$250,000 plus A\$1.00 per ounce exceeding 250,000 ounces, with the total payment made not exceeding A\$1 million. As at the date of this Bidder's Statement, no payments have been made under this royalty. Further details regarding these arrangements can be found in Doray's prospectus dated 20 November 2009. Doray will supply of copy of this document free of charge to any Mutiny Securityholder who requests a copy of this document.

#### 9.8. Directors' security interests

The Doray Directors have the following interests in Doray securities (either held directly or held by their Associates) as at the date of this Bidder's Statement.

Director	Doray Shares	Doray Unlisted Options	Doray Performance Rights
Peter Alexander	24,000	-	-
Allan Kelly	10,318,633	1,250,000	116,626
Jay Stephenson	1,028,772	-	-

Leigh Junk	60,000	-	-
Peter Lester	-	-	-

The Doray Directors do not have any interest (either held directly or held by their Associates) in Mutiny Securities as at the date of this Bidder's Statement.

### 9.9. Directors' fees and benefits

The constitution of Doray provides that the Doray Directors may be paid for their services as Doray Directors a sum not exceeding such fixed sum per annum as may be determined by Doray prior to the first annual general meeting, to be divided among the Doray Directors as agreed and in default of agreement then in equal shares.

The amounts in the table below have been paid by Doray by way of remuneration for services provided by the Doray Directors or their Associates for services provided to Doray (including amounts by way of salary, fees, superannuation benefits and equity):

Director	Year ended 30/6/2014 A\$	Year ended 30/6/2013 A\$	Year ended 30/6/2012 A\$
Peter Alexander	92,859	95,299	574,330 <sup>1</sup>
Allan Kelly	561,584	491,400	459,123
Jay Stephenson	63,729	59,950	158,403
Leigh Junk	63,729	59,950	574,330 <sup>2</sup>
Peter Lester	-	-	-

1. This amount for Peter Alexander comprises A\$63,130 in director fees (including superannuation) and \$511,200 in the value of options granted that later expired.
2. This amount for Leigh Junk comprises A\$63,130 in director fees (including superannuation) and \$511,200 in the value of options granted that later expired.

### 9.10. Advisers' fees and benefits

Doray estimates it will incur fees for services provided in connection with the Offers, including for legal, accounting, taxation, financial and corporate advisers but excluding any amounts which may become payable by Mutiny in connection with the Offers, in the amount of approximately A\$1.41 million.

### 9.11. Consents

Gresham Advisory Partners Limited has given, and has not withdrawn before lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as corporate adviser to Doray in relation to the Offers in the form and context in which it is named. Gresham has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Computershare Investor Services Pty Limited ACN 078 279 277 has given, and has not withdrawn before lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as Doray's share registrar in relation to the Offers in the form and context in which it is named. Computershare Investor Services Pty Limited has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Corrs Chambers Westgarth has given, and has not withdrawn before lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement as legal adviser (other than in relation to taxation matters) to Doray in relation to the Offers in the form and context in which it is named. Corrs Chambers Westgarth has not caused or authorised the issue of this Bidder's Statement, does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based and takes no responsibility for any part of this Bidder's Statement other than any reference to its name.

Mutiny has given, and has not withdrawn before lodgement of this Bidder's Statement with ASIC, its written consent to be named in this Bidder's Statement in the form and context in which it is named, the inclusion of each statement Mutiny has made in the Bidder's Statement in the form and context in which those statements appear in **sections 3** and **4.1 to 4.6** and the inclusion of each statement which is based on a statement Mutiny has made in those sections.

Each of the persons named above has not withdrawn its consent prior to the lodgement of this Bidder's Statement with ASIC.

This Bidder's Statement also includes statements which are made in, or based on statements made in, documents lodged with ASIC or on the market announcements platform of ASX by Doray and Mutiny. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to the inclusion of those statements in this Bidder's Statement.

If you would like to receive a copy of any of these documents, please contact the Doray Information Line on +61 8 6140 7422 between 9.00am and 5.00pm (Perth time) Monday to Friday and Doray will provide you with copies within 2 Business Days of the request free of charge.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains share price trading data sourced from IRESS without its consent.

#### **9.12. No material litigation**

Doray is not party to any material litigation and is not involved in any material disputes.

#### **9.13. ASIC relief**

An ASIC modification has been obtained to extend the Share Offer to any Mutiny Shares that may be on issue as a result of the vesting of the Mutiny Performance Rights that Mutiny is proposing to grant subject to the approval of Mutiny Shareholders at its 2014 annual general meeting. Unless this ASIC modification is obtained, the Share Offer will not extend to any Mutiny Shares that may be on issue as a result of the vesting of those Mutiny Performance Rights.

Doray advises that it will waive any defeating condition of the Offers of the type referred to in paragraph 650F(1)(a) or item 2(d)(ii) of section 611 of the Corporations Act if at the end of the Offer Period the condition is triggered only be reason of the events associated with the issue of Mutiny Shares issued upon the vesting of those Mutiny Performance Rights.

#### **9.14. Foreign Securityholders**

For the purposes of the Offers, a Mutiny Securityholder is considered to be a Foreign Securityholder if their address in the register of members (in the case of Mutiny Shares) or in the register of option holders (in the case of Mutiny Listed Options) is a place outside of Australia and its external territories, New Zealand, Singapore and the United Kingdom, unless Doray determines (in its absolute discretion) that it is lawful, not unduly onerous and not unduly impracticable to make the Offers to that Mutiny Securityholder in the relevant jurisdiction and to issue to that Mutiny Securityholder with Doray Shares or Doray Listed Options (as applicable), on the completion of the Offers and that it is lawful for that Mutiny Securityholder to participate in the Offers by the law of the relevant jurisdiction (**Foreign Securityholder**).

If you are a Foreign Securityholder and you accept the Offers, the Doray Shares or Doray Listed Options which would otherwise have been issued to Foreign Securityholders will instead be issued to a nominee approved by ASIC, who will then sell these securities. The net proceeds of the sale of such securities will then be remitted to the relevant Foreign Securityholders.

See **section 10.10** in respect of the Share Offer and **section 11.10** in respect of the Option Offer for further details.

The Offers are not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept these Offers and to comply with any other necessary formality and to obtain any necessary governmental or other consents.



**9.15. Mutiny Unlisted Options**

Doray proposes to make offers to the holders of Mutiny Unlisted Options to acquire those Mutiny Unlisted Options in return for the issue of 1,563,151<sup>12</sup> Doray Unlisted Options on the following key terms.

Number of Doray Unlisted Options to be issued in exchange for Mutiny Unlisted Options	Exercise Price (A\$)	Expiry
1,052,631	0.321	3 April 2016
80,420	1.425	31 December 2017
95,788	1.900	31 December 2017
111,578	2.375	31 December 2017
111,578	2.850	31 December 2017
111,156	3.325	31 December 2017

Further details of the Mutiny Unlisted Options on issue are listed in **section 4.2** of this Bidder's Statement.

**9.16. Other material information**

There is no other information that:

- (a) is material to the making of a decision by a holder of Mutiny Shares or Mutiny Listed Options as to whether or not to accept the Offers;
  - (b) is known to Doray; and
  - (c) has not previously been disclosed to Mutiny Securityholders,
- other than as is contained elsewhere in this Bidder's Statement.

**9.17. Date for determining holders**

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is 7.00pm (Sydney time) on 14 November 2014.

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<sup>12</sup> Based on the Mutiny Unlisted Options on issue at the date of this Bidder's Statement.

## 10. Terms of the Share Offer

### 10.1. General terms

- (a) Doray offers to acquire all of your Mutiny Shares, together with all Rights attached to them, on the terms and conditions set out in this Share Offer.
- (b) The consideration being offered by Doray for the acquisition of all of your Mutiny Shares is 1 Doray Share for every 9.5 Mutiny Shares you own, subject to the terms and conditions set out in this Share Offer.
- (c) If you are a Foreign Securityholder and you accept the Share Offer then, despite any other provision of this Share Offer, you will not receive Doray Shares but are instead offered and will be paid a cash amount calculated under **section 10.10**.
- (d) The Doray Shares to be issued pursuant to this Share Offer will, from their date of issue, rank equally in all respects with existing Doray Shares currently on issue.

### 10.2. Official Quotation

Doray will apply for Official Quotation on ASX of the Doray Shares to be issued under the Share Offer. Quotation will not be automatic but will depend on ASX exercising its discretion. Doray has already been admitted to the official list of ASX and the Doray Shares to be issued under the Share Offer are of the same class as Doray Shares already quoted on ASX. Doray cannot guarantee, and does not represent or imply, that Doray Shares will be listed on ASX following their issue.

### 10.3. Offer Period

Unless extended or withdrawn, this Share Offer will remain open for acceptance during the period commencing on the date of this Share Offer and ending at 7.00pm (Sydney time) on 23 December 2014. Doray reserves the right to extend the Offer Period in accordance with the Corporations Act, subject to certain contractual commitments made to Mutiny in the Bid Implementation Agreement (see **section 9.6** for more details).

The Offer Period may be automatically extended in accordance with section 624(2) of the Corporations Act if, within the last 7 days of the Offer Period, either of the following events occur:

- (a) the Share Offer is varied to improve the consideration offered; or
- (b) Doray's voting power in Mutiny increases to more than 50%,

in which case the Offer Period will be automatically extended so that it ends 14 days after the relevant event described in paragraphs (a) or (b) above.

### 10.4. Who may accept the Share Offer

- (a) This Share Offer is being made to each person registered as the holder of Mutiny Shares in the register of Mutiny Shareholders as at the Record Date. It also extends to:
  - (i) holders of any Mutiny Shares that are issued during the period from the Record Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by Mutiny Options;
  - (ii) holders of any Mutiny Shares that are issued during the period from the Record Date to the end of the Offer Period due to the accelerated vesting of the Mutiny Performance Rights described in **section 4.6(a)** of this Bidder's Statement; and
  - (iii) any person who becomes registered, or entitled to be registered, as the holder of Mutiny Shares to which this Share Offer relates during the Offer Period.
- (b) If, at the time the Share Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the Mutiny Shares to which this Share Offer relates:
  - (i) a corresponding offer on the same terms as this Share Offer will be deemed to have been made to that other person in respect of those Mutiny Shares;

- (ii) a corresponding offer on the same terms as this Share Offer will be deemed to have been made to you in respect of any other Mutiny Shares you hold to which the Share Offer relates; and
  - (iii) this Share Offer will be deemed to have been withdrawn immediately at that time in respect of those Mutiny Shares.
- (c) If, at any time during the Offer Period and before this Share Offer is accepted, any person holds one or more distinct parcels of Mutiny Shares (for example, as trustee, nominee or otherwise on account of another person) within the meaning of section 653B of the Corporations Act then:
  - (i) this Share Offer is deemed to consist of a separate corresponding Share Offer to that person in relation to each distinct parcel of Mutiny Shares; and
  - (ii) acceptance by that person of the Share Offer for any distinct parcel of Mutiny Shares is ineffective unless the person gives written notice to Doray in accordance with section 653B(3) of the Corporations Act stating that the Mutiny Shares consist of distinct portions and the acceptance specifies the number of the Mutiny Shares in each separate parcel to which the acceptance relates.
- (d) This Share Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept this Share Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consent.

#### **10.5. Fractional entitlements**

If the number of Mutiny Shares you hold is such that your entitlement to Doray Shares under this Share Offer is not a whole number, your entitlement to Doray Shares will be rounded down to the nearest whole number.

#### **10.6. How to accept this Share Offer**

##### *General*

- (a) Subject to **sections 10.4(b)** and **(c)**, you may only accept this Share Offer in respect of all of your Mutiny Shares (and not a lesser number). For example, if you have 10,000 Mutiny Shares and you wish to accept the Share Offer, you may only accept this Share Offer in respect of 10,000 Mutiny Shares.
- (b) You may only accept this Share Offer during the Offer Period.

##### *Mutiny Shares held in your name on Mutiny's issuer sponsored subregister*

- (c) To accept the Share Offer for Mutiny Shares held in your name on Mutiny's issuer sponsored subregister (in which case your Security Holder Reference Number will commence with 'I') you must:
  - (i) complete and sign the accompanying Acceptance Form in accordance with the terms of this Share Offer and the instructions on the Acceptance Form; and
  - (ii) ensure that the Acceptance Form together with all other documents required by the terms of this Share Offer and the instructions on the Acceptance Form are received at the address shown on the Acceptance Form before the end of the Offer Period.

##### *Mutiny Shares held in your name in a CHESS Holding*

- (d) If your Mutiny Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are:
  - (i) not a Participant, you should instruct your broker or Controlling Participant (this is normally the stockbroker through whom you bought your Mutiny Shares or ordinarily acquire shares on the ASX) to initiate acceptance of this Share Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating

Rules so as to be effective before the end of the Offer Period.

- (ii) a Participant, you should initiate acceptance of this Share Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules so as to be effective before the end of the Offer Period.

Alternatively, you may sign and complete the Acceptance Form in accordance with the terms of this Share Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Share Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

- (e) If your Mutiny Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

*Acceptance Form and other documents*

- (f) The Acceptance Form forms part of the Share Offer.
- (g) If your Acceptance Form (including any documents required by the terms of this Share Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Doray at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
- (h) When using the Acceptance Form to accept this Share Offer in respect of Mutiny Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Share Offer and the instruction on the Acceptance Form) are received by Doray in time for Doray to instruct your Controlling Participant to initiate acceptance of this Share Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (i) The postage and transmission of the Acceptance Form and other documents is at your own risk.

**10.7. Validity of acceptances**

- (a) Subject to this **section 10.7**, your acceptance of the Share Offer will not be valid unless it is made in accordance with the procedures set out in **section 10.6**.
- (b) Doray will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Share Offer and time of receipt of an acceptance of the Share Offer. Doray is not required to communicate with you prior to making this determination. The determination of Doray will be final and binding on all parties.
- (c) Notwithstanding **section 10.6**, Doray may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of your Mutiny Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Share Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Doray.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of your Mutiny Shares, Doray may, in its sole discretion, regard the Share Offer to be accepted in respect of those of your Mutiny Shares but not the remainder.
- (e) Doray will provide the consideration to you in accordance with **section 10.9**, in respect of any part of an acceptance determined by Doray to be valid.

**10.8. The effect of acceptance**

- (a) Once you have accepted this Share Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that acceptance or otherwise dispose of your Mutiny

Shares to which the Share Offer relates, except as follows:

- (i) if the conditions contained in **section 10.11** have not been fulfilled or waived by:
    - (A) in relation to the condition contained in **section 10.11(f)** (No prescribed occurrences), the end of the third business day after the end of the Offer Period;
    - (B) in relation to all other conditions, the end of the Offer Period,

the Share Offer will automatically terminate and your Mutiny Shares the subject of your acceptance will be returned to you; or
  - (ii) if the Offer Period is extended for more than one month and the obligations of Doray to deliver the consideration are postponed for more than 1 month and, at the time, the Share Offer remains subject to one or more of the conditions contained in **section 10.11**, you may be able to withdraw your acceptance in relation to your Mutiny Shares in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights in this regard.
- (b) By following the procedure described in **section 10.6**, you will be deemed to have:
- (i) accepted this Share Offer (and any variation to it, subject to section 650E of the Corporations Act) in respect of the Mutiny Shares registered in your name to which this Share Offer relates, regardless of the number of Mutiny Shares specified in the Acceptance Form, subject to **sections 10.4(b)** and **10.4(c)**;
  - (ii) agreed to the terms of the Share Offer and, subject to the conditions contained in **section 10.11** being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to Doray all of your Mutiny Shares;
  - (iii) agreed to accept the consideration being offered by Doray and agreed to be bound by the constitution of Doray;
  - (iv) authorised Doray (and any director, secretary or nominee of Doray) to alter the Acceptance Form on your behalf by inserting correct details of your Mutiny Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by Doray:
    - (A) to make the Acceptance Form an effective acceptance of this Share Offer; and/or
    - (B) to enable registration of the transfer to Doray of your Mutiny Shares in accordance with the terms of this Share Offer;
  - (v) irrevocably authorised and directed Mutiny to pay to Doray or to account to Doray for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of your Mutiny Shares (subject to Doray accounting to you for any Rights received by it if your acceptance of this Share Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
  - (vi) if you signed the Acceptance Form in respect of Mutiny Shares which are held in a CHESS Holding, irrevocably authorised Doray (or any director, secretary or agent of Doray) to instruct your Controlling Participant to initiate acceptance of this Share Offer in respect of your Mutiny Shares in accordance with Rule 14.14 of the ASX Settlement Operating Rules;
  - (vii) if you signed the Acceptance Form in respect of Mutiny Shares which are held in a CHESS Holding, irrevocably authorised Doray (or any director, secretary or agent of Doray) to give any other instructions in relation to your Mutiny Shares to your Controlling Participant, as determined by Doray acting in its own interests as a beneficial owner and intended registered holder of those

Mutiny Shares;

- (viii) irrevocably authorised Doray to notify Mutiny on your behalf that your place of address for the purpose of serving notices upon you in respect of your Mutiny Shares is the address specified by Doray in the notification;
- (ix) agreed to indemnify Doray in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Mutiny Shares to Doray being registered by Mutiny without production of your Holder Identification Number or your Securityholder Reference Number for your Mutiny Shares;
- (x) represented and warranted to Doray that, unless you have notified Doray in accordance with **section 10.4(c)**, your Mutiny Shares do not consist of separate parcels of Mutiny Shares;
- (xi) subject to all the conditions in **section 10.11** being fulfilled or waived, irrevocably authorised Doray (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer your Mutiny Shares to Doray's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Share Offer;
- (xii) represented and warranted to Doray as a fundamental condition going to the root of the contract resulting from your acceptance that:
  - (A) Doray will acquire good title to and beneficial ownership of all of your Mutiny Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
  - (B) you have paid Mutiny all amounts which are due in respect of your Mutiny Shares;
  - (C) all of your Mutiny Shares are fully paid; and
  - (D) you have full power and capacity to accept the Share Offer and to sell and transfer the legal and beneficial ownership of your Mutiny Shares (together with all Rights attached to them) to Doray;
- (xiii) unless you are a Foreign Securityholder, agreed to accept the Doray Shares to which you become entitled by accepting this Share Offer, subject to Doray's constitution and the terms of issue of the Doray Shares and to have authorised Doray to place your name on its register of shareholders as the holder of the Doray Shares issued to you under the Share Offer;
- (xiv) acknowledged and agreed that if you are a Foreign Securityholder, Doray will arrange for any Doray Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in **section 10.10**;
- (xv) if you reside outside of Australia and are not a Foreign Securityholder for the purposes of the Share Offer, represented and warranted to Doray that the making by Doray to you, and your acceptance, of this Share Offer is lawful under any law of a country other than Australia which apply to you to the making of this Share Offer and to your acceptance of this Share Offer;
- (xvi) with effect from the later of acceptance of the Share Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) Doray and each of Doray's Directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Mutiny Shares or in exercise of any right or power derived from the holding of your Mutiny Shares including, without limitation:
  - (A) attend and vote in respect of your Mutiny Shares at any and all meetings of Mutiny;

- (B) requisition or join with other holders of Mutiny Shares in requisitioning and/or convening a meeting of the members of Mutiny;
- (C) demand a poll for any vote to be taken at any meeting of Mutiny Shareholders;
- (D) propose or second any resolutions to be considered at any and all meetings of Mutiny Shareholders;
- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a Doray Director as a proxy in respect of all or any of your Mutiny Shares and a transfer form for your Mutiny Shares), proxies, consents, agreements, and resolutions relating to your Mutiny Shares;
- (F) request Mutiny to register in the name of Doray or its nominee your Mutiny Shares which you hold on any register of Mutiny; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by the power of attorney, the attorney shall be entitled to act in the interests of Doray as the beneficial owner and intended registered holder of your Mutiny Shares in respect of which you will do all such acts, matters and things that Doray may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the constitution of Mutiny) if required by Doray. This appointment is irrevocable and terminates upon registration of a transfer to Doray of your Mutiny Shares; and

- (xvii) for as long as **section 10.8(b)(xvi)** applies, agreed not to vote in person, by proxy or otherwise at any general meeting of Mutiny or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Doray and the Doray Directors, secretaries and other officers of Doray by **section 10.8(b)(xvi)**.

- (c) The representations, warranties, undertakings and authorities referred to in this **section 10.8** will (unless otherwise stated) remain in force after you receive the consideration for your Mutiny Shares and after Doray becomes registered as the holder of them.

#### 10.9. Provision of consideration

- (a) Subject to the terms of this Share Offer and the Corporations Act, Doray will provide the consideration for your Mutiny Shares not later than one month after this Share Offer is accepted or this Share Offer (or the contract resulting from its acceptance) becomes unconditional, whichever is the later, but in any event (assuming the Share Offer becomes or is declared unconditional) not later than 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Share Offer, regardless of any delay in providing the consideration or any extension of the Share Offer.
- (c) If you are a Foreign Securityholder and you have accepted the Share Offer, you will receive your share of the proceeds from the sale of the Doray Shares in accordance with **section 10.10**.
- (d) Subject to **sections 10.10** and **10.11**, the obligations of Doray to allot and issue any Doray Shares to which you are entitled under the Share Offer will be satisfied:
  - (i) by entering your name on the register of members of Doray;
  - (ii) dispatching or procuring the dispatch to you by prepaid post to your address specified in your Acceptance Form, an uncertificated holding statement in your name. If your Mutiny Shares to which the Share Offer relates are held in a joint

name, an uncertificated holding statement will be forwarded to the holder whose name appears first in your Acceptance Form.

- (e) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
  - (i) if that document is given with your Acceptance Form, Doray will provide the consideration in accordance with **section 10.9(a)**;
  - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Share Offer is subject to a defeating condition, Doray will provide the consideration by the end of whichever of the following periods ends earlier:
    - (A) within one month after this Share Offer becomes unconditional; or
    - (B) 21 days after the end of the Offer Period;
  - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Share Offer is not subject to a defeating condition, Doray will provide the consideration by the end of whichever of the following periods ends earlier:
    - (A) within one month after that document is given; or
    - (B) 21 days after the end of the Offer Period; and
  - (iv) if that document is given after the end of the Offer Period and the Share Offer is not subject to a defeating condition, Doray will provide the consideration within 21 days after that document is given.
- (f) If you accept this Share Offer, Doray is entitled to all Rights in respect of your Mutiny Shares. Doray may require you to provide all documents necessary to vest title to those Rights in Doray, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Doray, or if you have received the benefit of those Rights, Doray will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Doray) of those Rights. Any such deduction will be made from any Doray Shares on the basis that one Doray Share is worth A\$0.51.
- (g) If, at the time you accept the Share Offer, any of the following:
  - (i) *Banking (Foreign Exchange) Regulations 1959 (Cth)*;
  - (ii) Part 4 of the *Charter of the United Nations Act 1945 (Cth)*;
  - (iii) *Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth)*;
  - (iv) any other regulations made under Part 4 of the *Charter of the United Nations Act 1945 (Cth)*;
  - (v) *Autonomous Sanctions Regulations 2011 (Cth)*; or
  - (vi) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Public Authority be obtained before you receive any consideration for your Mutiny Shares, or would make it unlawful for Doray to provide any consideration to you for your Mutiny Shares, you will not be entitled to receive any consideration for your Mutiny Shares until all requisite authorities, clearances or approvals have been received by Doray.

#### **10.10. Foreign Securityholders**

- (a) If you are a Foreign Securityholder, you will not be entitled to receive Doray Shares as consideration for your Mutiny Shares. Instead Doray will:
  - (i) arrange for the issue to a nominee approved by ASIC (**Sale Nominee**) of the



number of Doray Shares to which you and all other Foreign Securityholders would have been entitled but for this section of the Share Offer;

- (ii) cause those Doray Shares to be offered for sale on ASX as soon as practicable after the end of the Offer Period, in such manner, at such price and on such other terms and conditions as are determined by the Sale Nominee; and
- (iii) promptly pay, or procure that the Sale Nominee pays, to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Foreign Securityholders who accept the Share Offer receive the same value per Mutiny Share, subject to rounding):

$$\text{Net Proceeds of Sale} \times \frac{A}{B}$$

Where:

**Net Proceeds of Sale** is the amount remaining after deducting the expenses of the sale and of appointing the Sale Nominee (including brokerage, stamp duty (applied at standard market rates) and other selling costs, taxes and charges) from the proceeds of sale;

**A** is the number of Doray Shares which would, but for **section 10.10(a)**, have been allotted and issued to you; and

**B** is the total number of Doray Shares allotted and issued to the Sale Nominee under this **section 10.10**.

- (b) You will be paid your share of the net proceeds of the sale of the Doray Shares by the Sale Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by pre-paid mail as soon as practicable and in any event within the period required by the Corporations Act to your address in the most up to date copy of the Mutiny register provided to Doray before your consideration cheque is produced.
- (d) Under no circumstances will interest be paid on your share of the net proceeds of the sale of Doray Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

#### 10.11. Conditions of this Share Offer

The Share Offer and any contract that results from acceptance of the Share Offer is subject to the fulfilment of the following conditions:

- (a) **(Minimum acceptance – Mutiny Shares)** During, or at the end of, the Offer Period, Doray has received acceptances under the Share Offer that give Doray a relevant interest in at least 90% of all of the Mutiny Shares (on a fully diluted basis).
- (b) **(Minimum acceptance – Mutiny Listed Options and Mutiny Unlisted Options)** During the Offer Period, Doray has acquired not less than an aggregate of 90% of the Mutiny Listed Options and Mutiny Unlisted Options on issue.
- (c) **(No action by Public Authority adversely affecting the Takeover Bid)** Between the Announcement Date and the end of the Offer Period (each inclusive):
  - (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; or
  - (ii) no inquiry, action or investigation is instituted, or threatened by any Public Authority,

in consequence of, or in connection with, the Offers (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which restrains, prohibits or impedes, or

is likely to restrain, prohibit or impede, or materially adversely impact upon (or is reasonably likely to restrain, prohibit, impede or materially impact upon) the making of the Offers or the completion of the Takeover Bid or requires (or is reasonably likely to require) the divestiture by Doray of any Mutiny Shares or Mutiny Listed Options, or the divestiture of any material assets of the Mutiny Group following the close of the Takeover Bid.

- (d) **(No Mutiny Material Adverse Change)** Between the Announcement Date and the end of the Offer Period (each inclusive), no Mutiny Material Adverse Change has occurred, been announced or otherwise become apparent or known to Doray (whether or not becoming public). A Mutiny Material Adverse Change is an act, omission, event, change, condition, matter, thing or circumstance (either individually or aggregated with other acts, omissions, events, changes, conditions, matters, things or circumstances) which:
- (i) has diminished, or could reasonably be expected to diminish, the net assets of the Mutiny Group by A\$500,000 or more;
  - (ii) has resulted, or could reasonably be expected to result, in any material rights under any of the material tenements in which a member of the Mutiny Group has an interest being suspended, revoked, invalidated, varied, terminated, or otherwise coming to an end;
  - (iii) has resulted, or could reasonably be expected to result, in a material restraint on or hindrance to the feasibility, development, timely completion, operation, or profitability of the material projects in which a member of the Mutiny Group has an interest;
  - (iv) has resulted, or could reasonably be expected to result, in any member of the Mutiny Group incurring any obligations, liabilities, costs or expenses (whether contingent or otherwise) where the quantum (whether individually or when aggregated) exceeds A\$500,000, except in the ordinary course of business;
  - (v) has resulted, or could reasonably be expected to result, in any person commencing any litigation against any member of the Mutiny Group (whether in aggregate or for any single litigation) which may reasonably result in a judgment against any member of the Mutiny Group of more than A\$500,000 (individually or in aggregate);

but does not include any of the following, which are taken not to constitute a material adverse effect:

- (vi) matters that are Fairly Disclosed:
  - (A) in the Mutiny Disclosure Materials or otherwise widely known publicly on or before the Announcement Date;
  - (B) in information accessible prior to the Announcement Date on a public register monitored by the Western Australian Supreme Court, the Federal Court of Australia, the Personal Property Securities Register; Mineral Titles Online register maintained by the Western Australian Department of Mines and Petroleum pursuant to the *Mining Act 1978* (WA), the register maintained by the National Native Title Tribunal in relation to registered native title applications, determinations and indigenous land use agreements; or
  - (C) in Mutiny's public filings with the ASX and ASIC prior to the Announcement Date;
- (vii) any event, occurrence, circumstance or matter affecting the gold mining industry generally;
- (viii) changes in general economic conditions, currency exchange rates, securities markets or commodities prices;
- (ix) changes occurring as a result of any matter, event or circumstance required by

the Bid Implementation Agreement, the Offers or the transactions contemplated by them or is otherwise consented to in writing by Doray; or

- (x) arising as a result of any generally applicable change in accounting standards required by law or government policy in Australia.
- (e) **(Conduct of business and other matters)** Between the Announcement Date and the end of the Offer Period (each inclusive), other than with the prior written approval of Doray:
  - (i) Mutiny and each of its subsidiaries carries on its business in the usual and ordinary course and on a basis consistent with the manner in which it was conducted immediately prior to the Announcement Date;
  - (ii) neither Mutiny nor any of its subsidiaries acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:
    - (A) the manner in which any member of the Mutiny Group conducts its business;
    - (B) the nature (including the balance sheet classification), extent or value of the assets or liabilities of any member of the Mutiny Group,
 including, without limitation, any transaction which would or (subject to one or more conditions) may involve Mutiny, or any subsidiary of Mutiny:
    - (C) acquiring, offering to acquire or agreeing to acquire one or more companies, businesses or assets (or an interest in one or more companies or assets) for an amount in aggregate of greater than A\$500,000;
    - (D) disposing, offering to dispose or agreeing to dispose of, or creating an option or other right or entitlement (including a pre-emptive right) the effect of which could be the disposal or loss of control of, one or more companies, businesses or assets (or an interest in one or more companies or assets) for an amount in aggregate of greater than A\$500,000;
    - (E) entering into, agreeing to enter into, or offering to enter into any agreement, joint venture, partnership, farm out agreement or other agreement or commitment involving the disposal of a legal, beneficial or economic interest in or right to, or in connection with, any material mining tenements, licences or permits held by, or applications relating to any material mining tenements, licences or permits made by, Mutiny or any subsidiary of Mutiny;
 except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of the Bid Implementation Agreement or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;
  - (iii) neither Mutiny nor any of its subsidiaries borrows or agrees to borrow (whether or not subject to conditions) any money from any person other than Doray;
  - (iv) neither Mutiny nor any of its subsidiaries materially varies, amends or modifies any Material Contract, or enters into, offers to enter into, or announces that it proposes to enter into, any material engineering, procurement, construction and/or financing agreement in relation to the Deflector Project, or any material joint venture, asset or profit sharing, partnership, royalty, commodity pre-purchase, offtake or mineral streaming agreement (including by satisfying any outstanding condition precedent to the Sandstorm Agreement), or makes an announcement in relation to such a commitment, except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of the Bid Implementation Agreement or are otherwise consistent

with the activities and expenditure reflected in the Agreed Budget;

- (v) neither Mutiny nor any of its subsidiaries incurs or otherwise becomes exposed to a liability or contingent liability for one or more related items for an amount or value in aggregate of greater than A\$500,000 except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of the Bid Implementation Agreement or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;
  - (vi) neither Mutiny nor any of its subsidiaries gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of the Bid Implementation Agreement or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;
  - (vii) neither Mutiny nor any of its subsidiaries announces, makes, declares or pays any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) or agrees to do any of those things;
  - (viii) neither Mutiny nor any of its subsidiaries enters into or agrees to enter into, or materially amends or agrees to materially amend, any material employment, consulting, severance or similar agreement or arrangement with directors, officers, other executives or employees of any member of the Mutiny Group or otherwise materially increasing compensation or benefits, or accelerating compensation or benefits, for any of the above;
  - (ix) neither Mutiny nor any of its subsidiaries declares, agrees to pay or becomes liable to pay a material bonus (or similar remuneration based incentive payment) to any director, officer, employee, consultant or contractor of any member of the Mutiny Group, other than by way of the grant of the Mutiny Performance Rights set out in Schedule 2 of the Bid Implementation Agreement or pursuant to a contract or arrangement entered into before 30 September 2014 (but not pursuant to an amendment to such contract or arrangement made after 30 September 2014).
- (f) **(No prescribed occurrences)** Between the Announcement Date and the date that is the third Business Day after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) occur, other than any issue of Mutiny Shares as a result of the exercise of any Mutiny Listed Options or Mutiny Unlisted Options, or the issue and subsequent vesting of any Mutiny Performance Rights in accordance with the Bid Implementation Agreement:
- (i) Mutiny converts all or any of its shares into a larger or smaller number of shares;
  - (ii) Mutiny or a subsidiary of Mutiny resolves to reduce its share capital in any way;
  - (iii) Mutiny or a subsidiary of Mutiny:
    - (A) enters into a buy-back agreement; or
    - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
  - (iv) Mutiny or a subsidiary of Mutiny:
    - (A) issues shares or agrees to issue shares; or
    - (B) grants an option over its shares or agrees to grant an option over its shares;
  - (v) Mutiny or a subsidiary of Mutiny issues, or agrees to issue, convertible notes;
  - (vi) Mutiny or a subsidiary of Mutiny disposes, or agrees to dispose, of the whole,

or a substantial part, of its business or property;

- (vii) Mutiny or a subsidiary of Mutiny charges, or agrees to charge, the whole, or a substantial part, of its business or property;
  - (viii) Mutiny or a subsidiary of Mutiny resolves to be wound up;
  - (ix) a liquidator or provisional liquidator of Mutiny or of a subsidiary of Mutiny is appointed;
  - (x) a court makes an order for the winding up of Mutiny or of a subsidiary of Mutiny;
  - (xi) an administrator of Mutiny, or of a subsidiary of Mutiny, is appointed under section 436A, 436B or 436C of the Corporations Act;
  - (xii) Mutiny or a subsidiary of Mutiny executes a deed of company arrangement; or
  - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Mutiny or of a subsidiary of Mutiny.
- (g) **(No breach of representation or warranty)** Between the Announcement Date and the end of the Offer Period (each inclusive), each of the representations and warranties given by Mutiny in **clauses 8.2 and 8.3** of the Bid Implementation Agreement (as qualified by **clause 8.1(a)**) are true and correct in all material respects.
- (h) **(No termination of Bid Implementation Agreement by Mutiny)** Between the Announcement Date and the end of the Offer Period (each inclusive), Mutiny has not terminated the Bid Implementation Agreement pursuant to **clauses 11.1(a), 11.1(b)** or **11.3** of the Bid Implementation Agreement.

#### 10.12. ASX quotation of new Doray Shares

The Share Offer, and any contract that results from your acceptance of it, is subject to the condition that permission for admission to Official Quotation by ASX of the Doray Shares to be issued pursuant to the Share Offer is sought no later than 7 days after the start of the Offer Period and is granted no later than 7 days after the end of the Offer Period. This condition is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in **section 10.11**. The Share Offer cannot be freed of this condition and consequently no statements made by Doray can be taken to waive this condition.

#### 10.13. Nature and benefit of conditions

- (a) The conditions in **section 10.11** are conditions subsequent. The non-fulfilment of any of these conditions does not, until the end of the Offer Period, or in the case of **section 10.11(f)** (No prescribed occurrences), until the end of the third Business Day after the end of the Offer Period, prevent a contract to sell your Mutiny Shares from arising under the Share Offer, but non-fulfilment of any of these conditions will have the consequences set out in **section 10.14(c)**.
- (b) Subject to the Corporations Act, Doray alone is entitled to the benefit of the conditions in **section 10.11**, or to rely on any non-fulfilment of any of them.
- (c) Each condition in **section 10.11** is a separate, severable and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

#### 10.14. Freeing the Share Offer of conditions

- (a) Subject to restraints imposed under the Bid Implementation Agreement on the waiver of the conditions contained in **section 10.11(a)** and **10.11(h)** (see **section 9.6** for more details), Doray may free this Share Offer, and any contract resulting from its acceptance, from all or any of the conditions in **section 10.11** (subject to **section 10.14**) either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Mutiny and to the ASX declaring this Share Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act.

- (b) This notice may be given:
  - (i) in the case of **section 10.11(f)** (No prescribed occurrences), not later than three Business Days after the end of the Offer Period; and
  - (ii) in the case of all the other conditions in **section 10.11**, not less than seven days before the end of the Offer Period.
- (c) If, at the end of the Offer Period (or in the case of **section 10.11(f)** (No prescribed occurrences), at the end of the third Business Day after the end of the Offer Period), the conditions in **section 10.11** have not been fulfilled and Doray has not declared the Share Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Share Offer will be automatically void.

#### **10.15. Notice on status of conditions**

The date for giving notice on the status of the conditions required by section 630(1) of the Corporations Act is 15 December 2014 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

#### **10.16. Lapsing of the Share Offer**

- (a) If the conditions of the Share Offer are not satisfied or waived at the end of the Offer Period, then the Share Offer will lapse and any acceptances received for the Share Offer will be void.
- (b) If this happens, you will continue to hold your Mutiny Shares and be free to deal with them as if the Share Offer had not been made.

#### **10.17. Withdrawal of Share Offer**

- (a) Doray may withdraw this Share Offer but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, Doray will give notice of the withdrawal to ASX and to Mutiny and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Share Offer is withdrawn, the Share Offer has been freed of all the conditions contained in **section 10.11**, all contracts arising from acceptance of the Share Offer before it was withdrawn will remain enforceable.
- (c) If the Share Offer remains subject to one or more of the conditions in **section 10.11** at the time the Share Offer is withdrawn, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal under **section 10.17(a)** will be deemed to take effect:
  - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
  - (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

#### **10.18. Variation**

Doray may vary this Share Offer in accordance with the Corporations Act.

#### **10.19. Stamp duty or other costs**

- (a) All costs and expenses of the preparation, dispatch and circulation of this Share Offer and any stamp or other duty payable in respect of the transfers will be paid by Doray.
- (b) No brokerage is payable by you if you accept this Share Offer.

**10.20. Governing law**

This Share Offer and any contract that results from your acceptance of this Share Offer are governed by the laws in force in Western Australia.

**10.21. Date of Share Offer**

This Share Offer is dated 20 November 2014.

## 11. Terms of the Option Offer

### 11.1. General terms

- (a) Doray offers to acquire all of your Mutiny Listed Options, together with all Rights attached to them, on the terms and conditions set out in this Option Offer.
- (b) The consideration being offered by Doray for the acquisition of all of your Mutiny Listed Options is 1 Doray Listed Option for every 9.5 Mutiny Listed Options you own, subject to the terms and conditions set out in this Option Offer.
- (c) If you are a Foreign Securityholder and you accept the Option Offer then, despite any other provision of this Option Offer, you will not receive Doray Listed Options but are instead offered and will be paid a cash amount calculated under **section 11.10**.
- (d) The Doray Listed Options to be issued pursuant to this Option Offer are options to acquire Doray Shares and will be credited as fully paid and have the rights set out in **section 2.6**.

### 11.2. Official Quotation

Doray will apply for Official Quotation on ASX of the Doray Listed Options to be issued under the Option Offer. Quotation will not be automatic but will depend on ASX exercising its discretion. Doray cannot guarantee, and does not represent or imply, that Doray Listed Options will be listed on ASX following their issue.

### 11.3. Offer Period

Unless extended or withdrawn, this Option Offer will remain open for acceptance during the period commencing on the date of this Option Offer and ending at 7.00pm (Sydney time) on 23 December 2014. Doray reserves the right to extend the Offer Period in accordance with the Corporations Act, subject to certain contractual commitments made to Mutiny in the Bid Implementation Agreement (see **section 9.6** for more details). The Offer Period may be automatically extended in accordance with section 624(2) of the Corporations Act if, within the last 7 days of the Offer Period, either of the following events occur:

- (a) the Option Offer is varied to improve the consideration offered; or
- (b) Doray's voting power in Mutiny increases to more than 50%,

in which case the Offer Period will be automatically extended so that it ends 14 days after the relevant event described in paragraphs (a) or (b) above.

### 11.4. Who may accept the Option Offer

- (a) This Option Offer is being made to each person registered as the holder of Mutiny Listed Options in the register of Mutiny Optionholders as at the Record Date. It also extends to any person who becomes registered as the holder of Mutiny Listed Options to which this Option Offer relates during the Offer Period.
- (b) If, at the time the Option Offer is made to you, or at any time during the Offer Period, another person is registered as the holder of some or all of the Mutiny Listed Options to which this Option Offer relates:
  - (i) a corresponding offer on the same terms as this Option Offer will be deemed to have been made to that other person in respect of those Mutiny Listed Options;
  - (ii) a corresponding offer on the same terms as this Option Offer will be deemed to have been made to you in respect of any other Mutiny Listed Options you hold to which the Option Offer relates; and
  - (iii) this Option Offer will be deemed to have been withdrawn immediately at that time in respect of those Mutiny Listed Options.
- (c) If, at any time during the Offer Period and before this Option Offer is accepted, any person holds one or more distinct parcels of Mutiny Listed Options (for example, as



trustee, nominee or otherwise on account of another person) within the meaning of section 653B of the Corporations Act then:

- (i) this Option Offer is deemed to consist of a separate corresponding Option Offer to that person in relation to each distinct parcel of Mutiny Listed Options; and
- (ii) acceptance by that person of the Option Offer for any distinct parcel of Mutiny Listed Options is ineffective unless the person gives written notice to Doray in accordance with section 653B(3) of the Corporations Act stating that the Mutiny Listed Options consist of distinct portions and the acceptance specifies the number of the Mutiny Listed Options in each separate parcel to which the acceptance relates.
- (d) This Option Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept this Option Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consent.

### **11.5. Fractional entitlements**

If the number of Mutiny Listed Options you hold is such that your entitlement to Doray Listed Options under this Option Offer is not a whole number, your entitlement to Doray Listed Options will be rounded down to the nearest whole number.

### **11.6. How to accept this Option Offer**

#### *General*

- (a) Subject to **sections 11.4(b) and (c)**, you may only accept this Option Offer in respect of all of your Mutiny Listed Options (and not a lesser number). For example, if you have 10,000 Mutiny Listed Options and you wish to accept the Option Offer, you may only accept this Option Offer in respect of 10,000 Mutiny Listed Options.
- (b) You may only accept this Option Offer during the Offer Period.

#### *Mutiny Listed Options held in your name on Mutiny's issuer sponsored subregister*

- (c) To accept the Option Offer for Mutiny Listed Options held in your name on Mutiny's issuer sponsored subregister (in which case your Security Holder Reference Number will commence with 'I') you must:
  - (i) complete and sign the accompanying Acceptance Form in accordance with the terms of this Option Offer and the instructions on the Acceptance Form; and
  - (ii) ensure that the Acceptance Form together with all other documents required by the terms of this Option Offer and the instructions on the Acceptance Form are received at the address shown on the Acceptance Form before the end of the Offer Period.

#### *Mutiny Listed Options held in your name in a CHESS Holding*

- (d) If your Mutiny Listed Options are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are:
  - (i) not a Participant, you should instruct your broker or Controlling Participant (this is normally the stockbroker through whom you bought your Mutiny Listed Options or ordinarily acquire Options on the ASX) to initiate acceptance of this Option Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules so as to be effective before the end of the Offer Period.
  - (ii) a Participant, you should initiate acceptance of this Option Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules so as to be effective before the end of the Offer Period.

Alternatively, you may sign and complete the Acceptance Form in accordance with the terms of this Option Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Option Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

- (e) If your Mutiny Listed Options are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

*Acceptance Form and other documents*

- (f) The Acceptance Form forms part of the Option Offer.
- (g) If your Acceptance Form (including any documents required by the terms of this Option Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by Doray at one of the addresses shown on the Acceptance Form before the end of the Offer Period.
- (h) When using the Acceptance Form to accept this Option Offer in respect of Mutiny Listed Options in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Option Offer and the instruction on the Acceptance Form) are received by Doray in time for Doray to instruct your Controlling Participant to initiate acceptance of this Option Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.
- (i) The postage and transmission of the Acceptance Form and other documents is at your own risk.

**11.7. Validity of acceptances**

- (a) Subject to this **section 11.7**, your acceptance of the Option Offer will not be valid unless it is made in accordance with the procedures set out in **section 11.6**.
- (b) Doray will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Option Offer and time of receipt of an acceptance of the Option Offer. Doray is not required to communicate with you prior to making this determination. The determination of Doray will be final and binding on all parties.
- (c) Notwithstanding **section 11.6**, Doray may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of your Mutiny Listed Options, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Option Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Doray.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of your Mutiny Listed Options, Doray may, in its sole discretion, regard the Option Offer to be accepted in respect of those of your Mutiny Listed Options but not the remainder.
- (e) Doray will provide the consideration to you in accordance with **section 11.9**, in respect of any part of an acceptance determined by Doray to be valid.

**11.8. The effect of acceptance**

- (a) Once you have accepted this Option Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that acceptance or otherwise dispose of your Mutiny Listed Options to which the Option Offer relates, except as follows:
  - (i) if the conditions contained in **section 11.11** have not been fulfilled or waived by:
    - (A) in relation to the condition contained in **section 11.11(f)** (No prescribed

occurrences), the end of the third business day after the end of the Offer Period;

(B) in relation to all other conditions, the end of the Offer Period,

the Option Offer will automatically terminate and your Mutiny Listed Options the subject of your acceptance will be returned to you; or

(ii) if the Offer Period is extended for more than one month and the obligations of Doray to deliver the consideration are postponed for more than 1 month and, at the time, the Option Offer remains subject to one or more of the conditions contained in **section 11.11**, you may be able to withdraw your acceptance in relation to your Mutiny Listed Options in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights in this regard.

(b) By following the procedure described in **section 11.6**, you will be deemed to have:

(i) accepted this Option Offer (and any variation to it subject to section 650E of the Corporations Act) in respect of the Mutiny Listed Options registered in your name to which this Option Offer relates, regardless of the number of Mutiny Listed Options specified in the Acceptance Form, subject to **sections 11.4(b) and 11.4(c)**;

(ii) agreed to the terms of the Option Offer and, subject to the conditions contained in **section 11.11** being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to Doray all of your Mutiny Listed Options;

(iii) agreed to accept the consideration being offered by Doray and agreed to be bound by the constitution of Doray;

(iv) authorised Doray (and any director, secretary or nominee of Doray) to alter the Acceptance Form on your behalf by inserting correct details of your Mutiny Listed Options, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by Doray:

(A) to make the Acceptance Form an effective acceptance of this Option Offer; and/or

(B) to enable registration of the transfer to Doray of your Mutiny Listed Options in accordance with the terms of this Option Offer;

(v) irrevocably authorised and directed Mutiny to pay to Doray or to account to Doray for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of your Mutiny Listed Options (subject to Doray accounting to you for any Rights received by it if your acceptance of this Option Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);

(vi) if you signed the Acceptance Form in respect of Mutiny Listed Options which are held in a CHESS Holding, irrevocably authorised Doray (or any director, secretary or agent of Doray) to instruct your Controlling Participant to initiate acceptance of this Option Offer in respect of your Mutiny Listed Options in accordance with Rule 14.14 of the ASX Settlement Operating Rules;

(vii) if you signed the Acceptance Form in respect of Mutiny Listed Options which are held in a CHESS Holding, irrevocably authorised Doray (or any director, secretary or agent of Doray) to give any other instructions in relation to your Mutiny Listed Options to your Controlling Participant, as determined by Doray acting in its own interests as a beneficial owner and intended registered holder of those Mutiny Listed Options;

(viii) irrevocably authorised Doray to notify Mutiny on your behalf that your place of address for the purpose of serving notices upon you in respect of your Mutiny Listed Options is the address specified by Doray in the notification;

(ix) agreed to indemnify Doray in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not

producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Mutiny Listed Options to Doray being registered by Mutiny without production of your Holder Identification Number or your Securityholder Reference Number for your Mutiny Listed Options;

- (x) represented and warranted to Doray that, unless you have notified Doray in accordance with **section 11.4(c)**, your Mutiny Listed Options do not consist of separate parcels of Mutiny Listed Options;
- (xi) subject to all the conditions in **section 11.11** being fulfilled or waived, irrevocably authorised Doray (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer your Mutiny Listed Options to Doray's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Option Offer;
- (xii) represented and warranted to Doray as a fundamental condition going to the root of the contract resulting from your acceptance that:
  - (A) Doray will acquire good title to and beneficial ownership of all of your Mutiny Listed Options free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
  - (B) you have paid Mutiny all amounts which are due in respect of your Mutiny Listed Options;
  - (C) all of your Mutiny Listed Options are fully paid; and
  - (D) you have full power and capacity to accept the Option Offer and to sell and transfer the legal and beneficial ownership of your Mutiny Listed Options (together with all Rights attached to them) to Doray;
- (xiii) unless you are a Foreign Securityholder, agreed to accept the Doray Listed Options to which you become entitled by accepting this Option Offer, subject to Doray's constitution and the terms of issue of the Doray Listed Options and to have authorised Doray to place your name on its register of optionholders as the holder of the Doray Listed Options issued to you under the Option Offer;
- (xiv) acknowledged and agreed that if you are a Foreign Securityholder, Doray will arrange for any Doray Listed Options otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in **section 11.10**;
- (xv) if you reside outside of Australia and are not a Foreign Securityholder for the purposes of the Option Offer, represented and warranted to Doray that the making by Doray to you, and your acceptance of this Option Offer is lawful under any law of a country other than Australia which apply to you to the making of this Option Offer and to your acceptance of this Option Offer;
- (xvi) with effect from the later of acceptance of the Option Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) Doray and each of Doray's Directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Mutiny Listed Options or in exercise of any right or power derived from the holding of your Mutiny Listed Options including, without limitation:
  - (A) attend and vote in respect of your Mutiny Listed Options at any and all meetings of Mutiny;
  - (B) requisition or join with other holders of Mutiny Listed Options in requisitioning and/or convening a meeting of the members of Mutiny;
  - (C) demand a poll for any vote to be taken at any meeting of Mutiny Optionholders;
  - (D) propose or second any resolutions to be considered at any and all

meetings of Mutiny Optionholders;

- (E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a Doray Director as a proxy in respect of all or any of your Mutiny Listed Options and a transfer form for your Mutiny Listed Options), proxies, consents, agreements, and resolutions relating to your Mutiny Listed Options;
- (F) request Mutiny to register in the name of Doray or its nominee your Mutiny Listed Options which you hold on any register of Mutiny; and
- (G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by the power of attorney, the attorney shall be entitled to act in the interests of Doray as the beneficial owner and intended registered holder of your Mutiny Listed Options in respect of which you will do all such acts, matters and things that Doray may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the constitution of Mutiny) if required by Doray. This appointment is irrevocable and terminates upon registration of a transfer to Doray of your Mutiny Listed Options; and

- (xvii) for as long as **section 11.8(b)(xvi)** applies, agreed not to vote in person, by proxy or otherwise at any general meeting of Mutiny or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Doray and the Doray Directors, secretaries and other officers of Doray by **section 11.8(b)(xvi)**.
- (c) The representations, warranties, undertakings and authorities referred to in this **section 11.8** will (unless otherwise stated) remain in force after you receive the consideration for your Mutiny Listed Options and after Doray becomes registered as the holder of them.

#### 11.9. Provision of consideration

- (a) Subject to the terms of this Option Offer and the Corporations Act, Doray will provide the consideration for your Mutiny Listed Options not later than one month after this Option Offer is accepted or this Option Offer (or the contract resulting from its acceptance) becomes unconditional, whichever is the later, but in any event (assuming the Option Offer becomes or is declared unconditional) not later than 21 days after the end of the Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Option Offer, regardless of any delay in providing the consideration or any extension of the Option Offer.
- (c) If you are a Foreign Securityholder and you have accepted the Option Offer, you will receive your share of the proceeds from the sale of the Doray Listed Options in accordance with **section 11.10**.
- (d) Subject to **sections 11.10** and **11.11**, the obligations of Doray to allot and issue any Doray Listed Options to which you are entitled under the Option Offer will be satisfied:
  - (i) by entering your name on the register of members of Doray;
  - (ii) dispatching or procuring the dispatch to you by prepaid post to your address specified in your Acceptance Form, an uncertificated holding statement in your name. If your Mutiny Listed Options to which the Option Offer relates are held in a joint name, an uncertificated holding statement will be forwarded to the holder whose name appears first in your Acceptance Form.
- (e) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
  - (i) if that document is given with your Acceptance Form, Doray will provide the consideration in accordance with **section 11.9(a)**;

- (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Option Offer is subject to a defeating condition, Doray will provide the consideration by the end of whichever of the following periods ends earlier:
  - (A) within one month after this Option Offer becomes unconditional; or
  - (B) 21 days after the end of the Offer Period;
- (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Option Offer is not subject to a defeating condition, Doray will provide the consideration by the end of whichever of the following periods ends earlier:
  - (A) within one month after that document is given; or
  - (B) 21 days after the end of the Offer Period; and
- (iv) if that document is given after the end of the Offer Period and the Option Offer is not subject to a defeating condition, Doray will provide the consideration within 21 days after that document is given.
- (f) If you accept this Option Offer, Doray is entitled to all Rights in respect of your Mutiny Listed Options. Doray may require you to provide all documents necessary to vest title to those Rights in Doray, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Doray, or if you have received the benefit of those Rights, Doray will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Doray) of those Rights.
- (g) If, at the time you accept the Option Offer, any of the following:
  - (i) *Banking (Foreign Exchange) Regulations 1959* (Cth);
  - (ii) Part 4 of the *Charter of the United Nations Act 1945* (Cth);
  - (iii) Charter of the *United Nations (Dealing with Assets) Regulations 2008* (Cth);
  - (iv) any other regulations made under Part 4 of the *Charter of the United Nations Act 1945* (Cth);
  - (v) *Autonomous Sanctions Regulations 2011* (Cth); or
  - (vi) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Public Authority be obtained before you receive any consideration for your Mutiny Listed Options, or would make it unlawful for Doray to provide any consideration to you for your Mutiny Listed Options, you will not be entitled to receive any consideration for your Mutiny Listed Options until all requisite authorities, clearances or approvals have been received by Doray.

#### 11.10. Foreign Securityholders

- (a) If you are a Foreign Securityholder, you will not be entitled to receive Doray Listed Options as consideration for your Mutiny Listed Options. Instead Doray will:
  - (i) arrange for the issue to a nominee approved by ASIC (**Sale Nominee**) of the number of Doray Listed Options to which you and all other Foreign Securityholders would have been entitled but for this section of the Option Offer;
  - (ii) cause those Doray Listed Options to be offered for sale on ASX as soon as practicable after the end of the Offer Period, in such manner, at such price and on such other terms and conditions as are determined by the Sale Nominee; and
  - (iii) promptly pay, or procure that the Sale Nominee pays, to you the amount

ascertained in accordance with the following formula (calculated on an average basis so that all Foreign Securityholders who accept the Option Offer receive the same value per Mutiny Listed Option, subject to rounding):

$$\text{Net Proceeds of Sale} \times \frac{A}{B}$$

Where:

**Net Proceeds of Sale** is the amount remaining after deducting the expenses of the sale and of appointing the Sale Nominee (including brokerage, stamp duty (applied at standard market rates) and other selling costs, taxes and charges) from the proceeds of sale;

**A** is the number of Doray Listed Options which would, but for **section 11.10(a)**, have been allotted and issued to you; and

**B** is the total number of Doray Listed Options allotted and issued to the Sale Nominee under this **section 11.10**.

- (b) You will be paid your Option of the net proceeds of the sale of the Doray Listed Options by the Sale Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by pre-paid mail as soon as practicable and in any event within the period required by the Corporations Act to your address in the most up to date copy of the Mutiny register provided to Doray before your consideration cheque is produced.
- (d) Under no circumstances will interest be paid on your Option of the net proceeds of the sale of Doray Listed Options by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

#### 11.11. Conditions of this Option Offer

The Option Offer and any contract that results from acceptance of the Option Offer is subject to the fulfilment of the following conditions:

- (a) **(Minimum acceptance – Mutiny Shares)** During, or at the end of, the Offer Period, Doray has received acceptances under the Share Offer that give Doray a relevant interest in at least 90% of all of the Mutiny Shares (on a fully diluted basis).
- (b) **(Minimum acceptance – Mutiny Listed Options and Mutiny Unlisted Options)** During the Offer Period, Doray has acquired not less than an aggregate of 90% of the Mutiny Listed Options and Mutiny Unlisted Options on issue.
- (c) **(No action by Public Authority adversely affecting the Takeover Bid)** Between the Announcement Date and the end of the Offer Period (each inclusive):
  - (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; or
  - (ii) no inquiry, action or investigation is instituted, or threatened by any Public Authority,

in consequence of, or in connection with, the Offers (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act), which restrains, prohibits or impedes, or is likely to restrain, prohibit or impede, or materially adversely impact upon (or is reasonably likely to restrain, prohibit, impede or materially impact upon) the making of the Offers or the completion of the Takeover Bid or requires (or is reasonably likely to require) the divestiture by Doray of any Mutiny Shares or Mutiny Listed Options, or the divestiture of any material assets of the Mutiny Group following the close of the Takeover Bid.

- (d) **(No Mutiny Material Adverse Change)** Between the Announcement Date and the end of the Offer Period (each inclusive), no Mutiny Material Adverse Change has occurred,

been announced or otherwise become apparent or known to Doray (whether or not becoming public). A Mutiny Material Adverse Change is an act, omission, event, change, condition, matter, thing or circumstance (either individually or aggregated with other acts, omissions, events, changes, conditions, matters, things or circumstances) which:

- (i) has diminished, or could reasonably be expected to diminish, the net assets of the Mutiny Group by A\$500,000 or more;
- (ii) has resulted, or could reasonably be expected to result, in any material rights under any of the material tenements in which a member of the Mutiny Group has an interest being suspended, revoked, invalidated, varied, terminated, or otherwise coming to an end;
- (iii) has resulted, or could reasonably be expected to result, in a material restraint on or hindrance to the feasibility, development, timely completion, operation, or profitability of the material projects in which a member of the Mutiny Group has an interest;
- (iv) has resulted, or could reasonably be expected to result, in any member of the Mutiny Group incurring any obligations, liabilities, costs or expenses (whether contingent or otherwise) where the quantum (whether individually or when aggregated) exceeds A\$500,000, except in the ordinary course of business;
- (v) has resulted, or could reasonably be expected to result, in any person commencing any litigation against any member of the Mutiny Group (whether in aggregate or for any single litigation) which may reasonably result in a judgment against any member of the Mutiny Group of more than A\$500,000 (individually or in aggregate);

but does not include any of the following, which are taken not to constitute a material adverse effect:

- (vi) matters that are Fairly Disclosed:
    - (A) in the Mutiny Disclosure Materials or otherwise widely known publicly on or before the Announcement Date;
    - (B) in information accessible prior to the Announcement Date on a public register monitored by the Western Australian Supreme Court, the Federal Court of Australia, the Personal Property Securities Register; Mineral Titles Online register maintained by the Western Australian Department of Mines and Petroleum pursuant to the *Mining Act 1978* (WA), the register maintained by the National Native Title Tribunal in relation to registered native title applications, determinations and indigenous land use agreements; or
    - (C) in Mutiny's public filings with the ASX and ASIC prior to the Announcement Date;
  - (vii) any event, occurrence, circumstance or matter affecting the gold mining industry generally;
  - (viii) changes in general economic conditions, currency exchange rates, securities markets or commodities prices;
  - (ix) changes occurring as a result of any matter, event or circumstance required by the Bid Implementation Agreement, the Offers or the transactions contemplated by them or is otherwise consented to in writing by Doray; or
  - (x) arising as a result of any generally applicable change in accounting standards required by law or government policy in Australia.
- (e) **(Conduct of business and other matters)** Between the Announcement Date and the end of the Offer Period (each inclusive), other than with the prior written approval of Doray:



- (i) Mutiny and each of its subsidiaries carries on its business in the usual and ordinary course and on a basis consistent with the manner in which it was conducted immediately prior to the Announcement Date;
- (ii) neither Mutiny nor any of its subsidiaries acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:
  - (A) the manner in which any member of the Mutiny Group conducts its business;
  - (B) the nature (including the balance sheet classification), extent or value of the assets or liabilities of any member of the Mutiny Group,
 including, without limitation, any transaction which would or (subject to one or more conditions) may involve Mutiny, or any subsidiary of Mutiny:
  - (C) acquiring, offering to acquire or agreeing to acquire one or more companies, businesses or assets (or an interest in one or more companies or assets) for an amount in aggregate of greater than A\$500,000;
  - (D) disposing, offering to dispose or agreeing to dispose of, or creating an option or other right or entitlement (including a pre-emptive right) the effect of which could be the disposal or loss of control of, one or more companies, businesses or assets (or an interest in one or more companies or assets) for an amount in aggregate of greater than A\$500,000;
  - (E) entering into, agreeing to enter into, or offering to enter into any agreement, joint venture, partnership, farm out agreement or other agreement or commitment involving the disposal of a legal, beneficial or economic interest in or right to, or in connection with, any material mining tenements, licences or permits held by, or applications relating to any material mining tenements, licences or permits made by, Mutiny or any subsidiary of Mutiny;
 except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of the Bid Implementation Agreement or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;
- (iii) neither Mutiny nor any of its subsidiaries borrows or agrees to borrow (whether or not subject to conditions) any money from any person other than Doray;
- (iv) neither Mutiny nor any of its subsidiaries materially varies, amends or modifies any Material Contract, or enters into, offers to enter into, or announces that it proposes to enter into, any material engineering, procurement, construction and/or financing agreement in relation to the Deflector Project, or any material joint venture, asset or profit sharing, partnership, royalty, commodity pre-purchase, offtake or mineral streaming agreement (including by satisfying any outstanding condition precedent to the Sandstorm Agreement), or makes an announcement in relation to such a commitment, except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of the Bid Implementation Agreement or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;
- (v) neither Mutiny nor any of its subsidiaries incurs or otherwise becomes exposed to a liability or contingent liability for one or more related items for an amount or value in aggregate of greater than A\$500,000 except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of the Bid Implementation Agreement or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;
- (vi) neither Mutiny nor any of its subsidiaries gives or agrees to give any

Encumbrance over any of its assets otherwise than in the ordinary course of business except to the extent such matters were Fairly Disclosed to Doray in the Mutiny Disclosure Materials prior to the date of the Bid Implementation Agreement or are otherwise consistent with the activities and expenditure reflected in the Agreed Budget;

- (vii) neither Mutiny nor any of its subsidiaries announces, makes, declares or pays any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) or agrees to do any of those things;
  - (viii) neither Mutiny nor any of its subsidiaries enters into or agrees to enter into, or materially amends or agrees to materially amend, any material employment, consulting, severance or similar agreement or arrangement with directors, officers, other executives or employees of any member of the Mutiny Group or otherwise materially increasing compensation or benefits, or accelerating compensation or benefits, for any of the above;
  - (ix) neither Mutiny nor any of its subsidiaries declares, agrees to pay or becomes liable to pay a material bonus (or similar remuneration based incentive payment) to any director, officer, employee, consultant or contractor of any member of the Mutiny Group, other than by way of the grant of the Mutiny Performance Rights set out in Schedule 2 of the Bid Implementation Agreement or pursuant to a contract or arrangement entered into before 30 September 2014 (but not pursuant to an amendment to such contract or arrangement made after 30 September 2014).
- (f) **(No prescribed occurrences)** Between the Announcement Date and the date that is the third Business Day after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) occur, other than any issue of Mutiny Shares as a result of the exercise of any Mutiny Listed Options or Mutiny Unlisted Options, or the issue and subsequent vesting of any Mutiny Performance Rights in accordance with the Bid Implementation Agreement:
- (i) Mutiny converts all or any of its shares into a larger or smaller number of shares;
  - (ii) Mutiny or a subsidiary of Mutiny resolves to reduce its share capital in any way;
  - (iii) Mutiny or a subsidiary of Mutiny:
    - (A) enters into a buy-back agreement; or
    - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
  - (iv) Mutiny or a subsidiary of Mutiny:
    - (A) issues shares or agrees to issue shares; or
    - (B) grants an option over its shares or agrees to grant an option over its shares;
  - (v) Mutiny or a subsidiary of Mutiny issues, or agrees to issue, convertible notes;
  - (vi) Mutiny or a subsidiary of Mutiny disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
  - (vii) Mutiny or a subsidiary of Mutiny charges, or agrees to charge, the whole, or a substantial part, of its business or property;
  - (viii) Mutiny or a subsidiary of Mutiny resolves to be wound up;
  - (ix) a liquidator or provisional liquidator of Mutiny or of a subsidiary of Mutiny is appointed;

- (x) a court makes an order for the winding up of Mutiny or of a subsidiary of Mutiny;
  - (xi) an administrator of Mutiny, or of a subsidiary of Mutiny, is appointed under section 436A, 436B or 436C of the Corporations Act;
  - (xii) Mutiny or a subsidiary of Mutiny executes a deed of company arrangement; or
  - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Mutiny or of a subsidiary of Mutiny.
- (g) **(No breach of representation or warranty)** Between the Announcement Date and the end of the Offer Period (each inclusive), each of the representations and warranties given by Mutiny in **clauses 8.2 and 8.3** of the Bid Implementation Agreement (as qualified by **clause 8.1(a)**) are true and correct in all material respects.
- (h) **(No termination of Bid Implementation Agreement by Mutiny)** Between the Announcement Date and the end of the Offer Period (each inclusive), Mutiny has not terminated the Bid Implementation Agreement pursuant to **clauses 11.1(a), 11.1(b) or 11.3** of the Bid Implementation Agreement.

#### **11.12. ASX quotation of new Doray Listed Options**

The Option Offer, and any contract that results from your acceptance of it, is subject to the condition that permission for admission to Official Quotation by ASX of the Doray Listed Options to be issued pursuant to the Option Offer is sought no later than 7 days after the start of the Offer Period and is granted no later than 7 days after the end of the Offer Period. This condition is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in **section 11.11**. The Option Offer cannot be freed of this condition and consequently no statements made by Doray can be taken to waive this condition.

#### **11.13. Nature and benefit of conditions**

- (a) The conditions in **section 11.11** are conditions subsequent. The non-fulfilment of any of these conditions does not, until the end of the Offer Period, or in the case of **section 11.11(f)** (No prescribed occurrences), until the end of the third Business Day after the end of the Offer Period, prevent a contract to sell your Mutiny Listed Options from arising under the Option Offer, but non-fulfilment of any of these conditions will have the consequences set out in **section 11.14(c)**.
- (b) Subject to the Corporations Act, Doray alone is entitled to the benefit of the conditions in **section 11.11**, or to rely on any non-fulfilment of any of them.
- (c) Each condition in **section 11.11** is a separate, severable and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

#### **11.14. Freeing the Option Offer of conditions**

- (a) Subject to restraints imposed under the Bid Implementation Agreement on the waiver of the conditions contained in **sections 11.11(a) and 11.11(h)** (see **section 9.6** for more details), Doray may free this Option Offer, and any contract resulting from its acceptance, from all or any of the conditions in **section 11.11** (subject to **section 11.14(a)**) either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Mutiny and to the ASX declaring this Option Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act.
- (b) This notice may be given:
  - (i) in the case of **section 11.11(f)** (No prescribed occurrences), not later than three Business Days after the end of the Offer Period; and
  - (ii) in the case of all the other conditions in **section 11.11**, not less than seven days before the end of the Offer Period.
- (c) If, at the end of the Offer Period (or in the case of **section 11.11(f)** (No prescribed

occurrences), at the end of the third Business Day after the end of the Offer Period), the conditions in **section 11.11** have not been fulfilled and Doray has not declared the Option Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Option Offer will be automatically void.

**11.15. Notice on status of conditions**

The date for giving notice on the status of the conditions required by section 630(1) of the Corporations Act is 15 December 2014 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

**11.16. Lapsing of the Offer**

- (a) If the conditions of the Option Offer are not satisfied or waived at the end of the Option Offer Period, then the Option Offer will lapse and any acceptances received for the Option Offer will be void.
- (b) If this happens, you will continue to hold your Mutiny Listed Options and be free to deal with them as if the Option Offer had not been made.

**11.17. Withdrawal of Option Offer**

- (a) Doray may withdraw this Option Offer but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, Doray will give notice of the withdrawal to ASX and to Mutiny and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Option Offer is withdrawn, the Option Offer has been freed of all the conditions contained in **section 11.11** have been freed, all contracts arising from acceptance of the Option Offer before it was withdrawn will remain enforceable.
- (c) If the Option Offer remains subject to one or more of the conditions in **section 11.11** at the time the Option Offer is withdrawn, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).
- (d) A withdrawal under **section 11.17(a)** will be deemed to take effect:
  - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
  - (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

**11.18. Variation**

Doray may vary this Option Offer in accordance with the Corporations Act.

**11.19. Stamp duty or other costs**

- (a) All costs and expenses of the preparation, dispatch and circulation of this Option Offer and any stamp or other duty payable in respect of the transfers will be paid by Doray.
- (b) No brokerage is payable by you if you accept this Option Offer.

**11.20. Governing law**

This Option Offer and any contract that results from your acceptance of this Option Offer are governed by the laws in force in Western Australia.

**11.21. Date of Option Offer**

This Option Offer is dated 20 November 2014.

## 12. Definitions and interpretation

### 12.1. Definitions

In this Bidder's Statement, unless the context otherwise requires:

<b>A\$</b>	Australian dollars
<b>Acceptance Form</b>	The form of acceptance form for the Offers enclosed with this Bidder's Statement or alternatively an acceptance form sent to a Mutiny Securityholder by Doray's share registry in relation to the Offers
<b>Ag</b>	Silver
<b>Agreed Budget</b>	Mutiny's budget for the period ending 6 months after the date of Bid Implementation Agreement as agreed between Doray and Mutiny, as may be amended as agreed by Doray and Mutiny from time to time
<b>All in sustaining cost or AISC</b>	The sum of mining costs, site administration costs, royalty costs, smelting costs, refining costs, head office costs and rehabilitation costs and is offset by credits for by-products. For these purposes, the AISC ignores depreciation and amortisation costs but includes capitalised underground mine development costs, sustaining capital expenditure and sustaining exploration expenditure. AISC excludes all financing charges. A full list of items included and excluded from the calculation of AISC can be obtained from the World Gold Council.
<b>Andy Well or Andy Well Project</b>	Doray's Andy Well gold project located in the northern Murchison region of Western Australia
<b>Announcement Date</b>	The date the Takeover Bid was announced, being 28 October 2014
<b>ASIC</b>	The Australian Securities and Investments Commission
<b>Associate</b>	Has the meaning set out in Division 2 of Part 1.2 of the Corporations Act
<b>ASX</b>	ASX Limited ACN 008 624 691 or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires
<b>ASX Settlement</b>	ASX Settlement Pty Limited ACN 008 504 532
<b>ASX Settlement Operating Rules</b>	The operating rules of the settlement facility provided by ASX Settlement
<b>Au</b>	Gold
<b>AuEq</b>	Gold equivalent
<b>Bid Implementation Agreement</b>	The bid implementation agreement entered into by Doray and Mutiny on 28 October 2014, which provides the manner in which the parties have agreed the Offers will be implemented
<b>Bidder's Statement</b>	This document
<b>Business Day</b>	A day on which trading takes place on the stock market of ASX
<b>CGT</b>	Capital gains tax
<b>CHESS Holding</b>	A number of Mutiny Securities which are registered on Mutiny's share register being a register administered by ASX Settlement and which records uncertificated holdings of Mutiny securities
<b>Combined Group</b>	Doray and its Subsidiaries following Doray acquiring control of Mutiny

<b>Control</b>	The meaning given to that term in the Corporations Act
<b>Controlling Participant</b>	In relation to your Mutiny Shares and Mutiny Listed Options, has the same meaning as in the ASX Settlement Operating Rules
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth)
<b>Cu</b>	Copper
<b>Deflector and Deflector Project</b>	Mutiny's Deflector gold/copper project located within the South Murchison region of Western Australia
<b>DFS</b>	Definitive feasibility study
<b>Doray or Company</b>	Doray Minerals Limited ACN 138 978 631
<b>Doray Board</b>	The board of directors of Doray
<b>Doray Constitution</b>	The constitution of Doray as amended or varied from time to time
<b>Doray Director</b>	A director of Doray
<b>Doray Group</b>	Doray and its Subsidiaries
<b>Doray Listed Option</b>	A listed option to subscribe for a Doray Share with an exercise price of A\$0.475 and an expiry date of 15 August 2015
<b>Doray Performance Rights</b>	Performance rights issued under the Doray Minerals Long-Term Incentive Plan (as amended from time to time) where the issue of those performance rights were specifically approved at the annual general meeting of Doray Shareholders held on 28 November 2013
<b>Doray Securities</b>	Doray Shares and/or Doray Listed Options (as the context requires or permits)
<b>Doray Share</b>	A fully paid ordinary share in Doray
<b>Doray Shareholder</b>	A holder of a Doray Share
<b>Doray Unlisted Option</b>	An unlisted option to subscribe for a Doray Share
<b>Encumbrance</b>	Any of: <ul style="list-style-type: none"> <li>(a) a mortgage, charge, pledge, lien, hypothecation or a title retention arrangement;</li> <li>(b) a notice under section 255 of the <i>Income Tax Assessment Act 1936</i> (Cth), subdivision 260-A in schedule 1 to the <i>Taxation Administration Act 1953</i> (Cth) or any similar legislation;</li> <li>(c) any other interest in or right over property (including a right to set off or withhold payment of a deposit or other money);</li> <li>(d) any other thing that prevents, restricts or delays the exercise of a right over property, the use of property or the registration of an interest in or dealing with property; or</li> <li>(e) an agreement to create anything referred to above or to allow any of them to exist.</li> </ul>
<b>End Date</b>	The earlier of: <ul style="list-style-type: none"> <li>(a) the expiry of the Offer Period, or any earlier date on which the Offers otherwise lapse or are withdrawn; and</li> <li>(b) the termination of the Bid Implementation Agreement</li> </ul>

<b>Fairly Disclosed</b>	Sufficient information has been disclosed so as to enable a sophisticated investor with experience in transactions of the nature of the Takeover Bid and familiar with the business of gold exploration, development and production, would be aware of the substance and significance of the relevant information
<b>Foreign Securityholder</b>	Has the meaning given to that term in <b>section 9.14</b>
<b>Gresham</b>	Gresham Advisory Partners Limited ABN 88 093 611 413
<b>GST</b>	Goods and services tax
<b>Higher Offer</b>	<p>(a) An announcement by a third party that it intends to make an offer to acquire all of the Mutiny Shares which the third party is required to proceed with; or</p> <p>(b) an announcement by a third party that it intends to acquire all the Mutiny Shares by way of a scheme of arrangement,</p> <p>in each case for consideration which is:</p> <p>(a) either cash, securities quoted on a public stock exchange or a combination of both;</p> <p>(b) of an equivalent value which is greater per Mutiny Share than the Share Offer consideration or the consideration under an existing revised offer,</p> <p>and on other conditions no less favourable to Mutiny Shareholders than the conditions in the Bid Implementation Agreement</p>
<b>Holder Identification Number</b>	Has the same meaning as "HIN" in the ASX Settlement Operating Rules
<b>IRESS</b>	IRESS Limited ACN 060 313 359
<b>Issued Sponsored Holding</b>	A holding of Mutiny Shares or Mutiny Listed Options on the Mutiny issuer sponsored subregister
<b>JORC Code 2012</b>	The 2012 edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, as amended or replaced from time to time
<b>KPI</b>	Key performance indicator
<b>Listing Rules</b>	The listing rules of ASX, as amended from time to time
<b>Material Contract</b>	<p>Any agreement, contract, deed or other arrangement or instrument which:</p> <p>(a) involves the provision of financial accommodation to Mutiny or any member of the Mutiny Group of a value greater than A\$500,000;</p> <p>(b) imposes obligations or liabilities on any party of at least A\$500,000 over the life of the agreement, contract, deed or other arrangement or instrument,</p> <p>and includes any agreement, contract, deed or other arrangement or instrument which primarily relates to the engineering, procurement, construction and/or financing of the Deflector Project and gives rise to obligations or liabilities on any party of at least A\$500,000 over the life of the agreement, contract, deed or other arrangement or instrument.</p>
<b>Mutiny</b>	Mutiny Gold Limited ACN 101 224 999

<b>Mutiny Board</b>	The board of directors of Mutiny
<b>Mutiny Director</b>	A director of Mutiny
<b>Mutiny Disclosure Material</b>	The information disclosed to Doray and its representatives prior to 28 October 2014
<b>Mutiny Group</b>	Mutiny and each of its Related Entities
<b>Mutiny Listed Options</b>	The listed options issued by Mutiny as set out in <b>section 4.2</b> of this Bidder's Statement
<b>Mutiny Optionholder</b>	A registered holder of Mutiny Listed Options
<b>Mutiny Options</b>	Mutiny Listed Options and Mutiny Unlisted Options
<b>Mutiny Performance Rights</b>	Any entitlement to a Mutiny Share issued as a "performance right" under the rules of the Mutiny Gold Employee and Contractor Trust Plan
<b>Mutiny Securities</b>	Mutiny Shares and/or Mutiny Listed Options (as the context requires or permits)
<b>Mutiny Securityholder</b>	Mutiny Shareholders and Mutiny Optionholders
<b>Mutiny Share</b>	A fully paid ordinary share in Mutiny
<b>Mutiny Shareholder</b>	A registered holder of Mutiny Shares
<b>Mutiny Unlisted Options</b>	The unlisted options issued by Mutiny as set out in <b>section 4.2</b> of this Bidder's Statement
<b>Offer Period</b>	The period referred to in <b>sections 10.3</b> and <b>11.3</b> , during which the Offers remains open for acceptance
<b>Offers</b>	The Share Offer and the Option Offer
<b>Official Quotation</b>	Official quotation on ASX
<b>Operating cash cost (C1)</b>	The costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.
<b>Option Offer</b>	The offer for Mutiny Listed Options on the terms and conditions contained in <b>section 11</b> of this Bidder's Statement
<b>Participant</b>	An entity admitted to participate in the Clearing House Electronic Sub register System under Rule 4.3.1 and 4.4.1 of the ASX Settlement Operating Rules
<b>Public Authority</b>	Any government or any governmental, semi-governmental, administrative, statutory or judicial entity (including a court), commission, tribunal, agency or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere, including any self-regulating organisation established under statute or otherwise discharging substantially public or regulatory functions, and ASX or any other stock exchange and the Takeovers Panel, the Foreign Investment Review Board, ASIC and any other securities regulator
<b>Record Date</b>	The date set by Doray under section 633(2) of the Corporations Act, being 7.00pm (Sydney time) on 14 November 2014



<b>Related Body Corporate</b>	The meaning given to that term in the Corporations Act
<b>Related Entity</b>	Of a party means another entity which: <ul style="list-style-type: none"> <li>(a) is a Related Body Corporate of the first party;</li> <li>(b) is in any consolidated entity (as defined in section 9 of the Corporations Act) which contains the party; or</li> <li>(c) the party Controls.</li> </ul>
<b>Relevant Interest</b>	Has the meaning given to that term in sections 608 and 609 of the Corporations Act
<b>Reserve or Ore Reserve</b>	Has the meaning given to Ore Reserve in the JORC Code 2012
<b>Resource or Mineral Resource</b>	Has the meaning give to Mineral Resource in the JORC Code 2012
<b>Rights</b>	All accretions, rights or benefits attaching to or arising from Mutiny Securities on or after the Announcement Date (including dividends and all rights to receive dividends, bonuses or other shares of its profits or assets as well as rights to receive or subscribe for shares, stock units, notes, options or other securities and all other distributions or entitlements declared, paid, made or issued by Mutiny or any of its Subsidiaries)
<b>Rocksteady Iron Project</b>	Mutiny's iron project located within the South Murchison region of Western Australia, approximately 10km west of the Deflector Project
<b>Sale Nominee</b>	Has the meaning given to that term in <b>sections 10.10(a)(i) and 11.10(a)(i)</b> of this Bidder's Statement
<b>Sandstorm Agreement</b>	The agreement between Mutiny, Deflector Gold Pty Ltd, Gullewa Gold Project Pty Ltd, Central Infrastructure Pty Ltd and Sandstorm Gold Ltd (amongst others) dated 5 December 2012, as amended by a letter agreement between those parties dated 19 August 2013
<b>Security Holder Reference Number</b>	Has the same meaning as SRN in the ASX Settlement Operating Rules
<b>Share Offer</b>	The offer for Mutiny Shares on the terms and conditions contained in <b>section 10</b> of this Bidder's Statement
<b>Subsidiary</b>	A subsidiary within the meaning given to that term in section 9 of the Corporations Act
<b>Superior Proposal</b>	A bona fide Third Party Proposal received after the date of this document which the Mutiny Board: <ul style="list-style-type: none"> <li>(d) acting in good faith and reasonably; and</li> <li>(e) in order to satisfy what the Mutiny Board reasonably considers to be its fiduciary or statutory duties after consultation with and receipt of written advice from its external legal and financial advisers who have relevant expertise to provide advice in this area,</li> </ul> <p>determines is more favourable to Mutiny Shareholders (as a whole) than the Offers (taking into account, among other things, all legal, financial, regulatory, conditionality, certainty, timing and other aspects of the Third Party Proposal and the identity of the offeror)</p>
<b>Takeover Bid</b>	The off-market takeover bid constituted by the dispatch of the Offers

<b>Takeover Transferee Holding</b>	Has the same meaning as in the ASX Settlement Operating Rules
<b>Target's Statement</b>	The target's statement required to be sent to Mutiny Securityholders by Mutiny in response to the Offers
<b>Third Party Proposal</b>	<p>(a) A transaction which, if completed, would mean a person (other than Doray or Doray's nominee) would, directly or indirectly:</p> <ul style="list-style-type: none"> <li>(i) acquire all or a substantial part of the assets or business of the Mutiny Group;</li> <li>(ii) acquire a Relevant Interest (or a right to acquire a Relevant Interest) in 10% or more of Mutiny's voting shares or of the share capital of any of its Related Bodies Corporate or enter into or acquire any option, cash settled equity swap or other derivative contract arrangement in respect of (when aggregated with any shareholding) 10% or more of the relevant company's share capital; or</li> <li>(iii) acquire Control of Mutiny;</li> </ul> <p>(b) a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, purchase of main undertaking or other business combination involving Mutiny and/or its Related Bodies Corporate;</p> <p>(c) a transaction involving the formation of a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement in respect of, Mutiny and/or its Related Bodies Corporate; or</p> <p>(d) any agreement, arrangement or understanding requiring Mutiny to abandon, or otherwise fail to proceed with, the Offers or which is otherwise materially prejudicial to the Offers.</p> <p>For the purposes of <b>section 9.1(b)(ii)(1)</b> only, references in paragraph (a)(ii) to 10% are taken to read 20%.</p>
<b>US\$</b>	United States dollars
<b>VWAP</b>	The daily volume weighted average price of all shares sold on ASX's trading platform

In addition, the following abbreviations for units of measurement have been used in this Bidder's Statement:

<b>g/t</b>	Grams per tonne
<b>km<sup>2</sup></b>	Square kilometres
<b>Kt</b>	Kilotonne
<b>kW</b>	Kilowatt
<b>m</b>	Metre
<b>oz</b>	Ounces
<b>t</b>	Tonnes

## **12.2. Interpretation**

The following rules of interpretation apply unless the intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth time;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Bidder's Statement or a section of the annexure to this Bidder's Statement, as applicable;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (h) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (j) a reference to any instrument or document includes any variation or replacement of it;
- (k) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be;
- (l) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (m) a reference to you is to a person to whom an Offer is made; and
- (n) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

**13. Approval of Bidder's Statement**

This Bidder's Statement has been approved by a unanimous resolution passed by all the Doray Directors.

Signed for and on behalf of  
**Doray Minerals Limited**



**Peter Alexander**  
Director

**Dated: 17 November 2014**

### Annexure 1 ASX announcements since 20 October 2014

The following announcements have been made to ASX concerning Doray since the release of its 2014 Annual Report on 20 October 2014.

Date lodged	Description of document
17/11/2014	Landmark Exploration Farm-In Agreement With Iluka Resources
14/11/2014	Notice under Section 633(4) of the Corporations Act
13/11/2014	AYR: High Grade Aircore Results at Dusk til Dawn
13/11/2014	MYG: Sale of White Well Tenement
13/11/2014	Horse Well Drilling Confirms Project Prospectivity
11/11/2014	Andy Well Gold Project Milestones and Operations Update
06/11/2014	Change of Director's Interest Notice
29/10/2014	Doray Minerals To Present At The Mining 2014 Conference
28/10/2014	Becoming a substantial holder for MYG
28/10/2014	Reinstatement to Official Quotation
28/10/2014	Doray/Mutiny Merger Presentation
28/10/2014	Bid Implementation Agreement
28/10/2014	Doray Minerals and Mutiny Gold to Merge
27/10/2014	Suspension Update
24/10/2014	Suspension from Official Quotation
22/10/2014	Trading Halt
21/10/2014	Investor Update – October 2014 (amended)
21/10/2014	Quarterly Results Presentation
21/10/2014	Quarterly Cashflow Report
21/10/2014	Quarterly Activities Report
20/10/2014	Notice of Annual General Meeting / Proxy Form

## **DORAY CORPORATE DIRECTORY**

### **Directors**

Peter Alexander – Non-Executive Chairman  
Allan Kelly – Managing Director  
Jay Stephenson – Non-Executive Director  
Leigh Junk – Non-Executive Director  
Peter Lester – Non-Executive Director

### **Company Secretary**

Iain Garrett

### **Principal and Registered Office**

Level 3, 41-43 Ord Street  
WEST PERTH WA 6005

### **Financial Advisers to the Offers**

Gresham Advisory Partners Limited  
Level 3, 28 The Esplanade  
PERTH WA 6000

### **Australian Legal Advisers to the Offers**

Corrs Chambers Westgarth  
Level 15, 240 St Georges Terrace  
PERTH WA 6000

### **Share Registry**

Computershare Investor Services Pty Ltd  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
PERTH WA 6000

# Doray Minerals Limited

ABN 48138978631

## Return your Form:



**By Mail:**  
Computershare Investor Services  
Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:



**Phone:**  
(within Australia) (08) 6140 7422  
(outside Australia) +61 8 6140 7422

└ 000001 000 MYGTKO  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Transfer and Acceptance Form - Share Offer

ISSUER



**Your form must be received by the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Share Offer") by Doray Minerals Limited ABN 48 138 978 631 ("Doray") to acquire all of your shares in Mutiny Gold Ltd ABN 72 101 224 999 ("Mutiny") the terms of which are set out in the Bidder's Statement from Doray dated <DATE> as replaced or supplemented ("Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Share Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Mutiny register, as provided to Doray. The current address recorded by Doray is printed above and overleaf. If you have recently bought or sold Mutiny Shares your holding may differ from that shown. If you have already sold all your Mutiny Shares, do not complete or return this form.

### Step 2: Accept the Share Offer

Only sign and return this form if you wish to accept the Share Offer for ALL of your Mutiny Shares.

By signing this form, you warrant to Doray (and authorise Doray to warrant on your behalf) that you have full legal and beneficial ownership of the Mutiny Shares to which this form relates and that Doray will acquire them free from all mortgages, charges, liens and encumbrances (whether legal or equitable) and restrictions on transfer of any kind and free from any third party rights.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

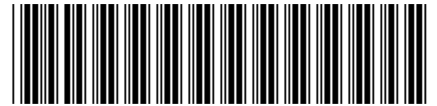
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Company Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** ➔




# Transfer and Acceptance Form - Mutiny Shares

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I ND

## STEP 1

### Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

**Offer Details:** Securityholding as at <REGISTER DATE>:

The consideration applicable under this Share Offer is 1 Doray Share for every 9.5 Mutiny Shares accepted (subject to the terms and conditions of the Share Offer).

You will be deemed to have accepted this consideration for ALL of your Mutiny Shares if you sign and return this form.

By accepting the Share Offer for ALL of your Mutiny Shares, you are accepting the Share Offer for ALL the Mutiny Shares as recorded as being held by you at the date your acceptance is processed (even if different to the number stated above).

## STEP 2

### Accept the Share Offer

Only sign and return this form if you wish to accept the Share Offer for ALL of your Mutiny Shares. The consideration applicable is set out in the terms of Doray's Share Offer.

## STEP 3

### Signature of Securityholder(s) *This section must be completed.*

I/We accept the Share Offer made by Doray for my/our Mutiny Shares and hereby agree to transfer to Doray ALL of my/our Mutiny Shares for the consideration specified in the Share Offer, and on the terms and conditions of the Share Offer as set out in the Bidder's Statement.

If you are a Foreign Securityholder, you will not receive Doray Shares under the Share Offer. Instead, your consideration will be the cash amount determined in accordance with section 10.10 of the Bidder's Statement.

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary  
(cross out titles as applicable)**

**Contact  
Name**

**Contact  
Daytime  
Telephone**

**Date**    /    /

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Doray. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Doray or to third parties upon direction by Doray where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.



# Doray Minerals Limited

ABN 48138978631

000002 000 MYGTKO  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Return your Form:



**To Your Controlling Participant:**  
Return this form directly to your stockbroker



**By Mail:**  
**Computershare Investor Services  
Pty Limited**  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:

**Phone:**



(within Australia) (08) 6140 7422  
(outside Australia) +61 8 6140 7422

## Transfer and Acceptance Form - Share Offer

CHESS



**Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Share Offer") by Doray Minerals Limited ABN 48 138 978 631 ("Doray") to acquire all of your shares in Mutiny Gold Ltd ABN 72 101 224 999 ("Mutiny") the terms of which are set out in the Bidder's Statement from Doray dated <DATE> as replaced or supplemented ("Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Share Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Mutiny register, as provided to Doray. The current address recorded by Doray is printed above and overleaf. If you have recently bought or sold Mutiny Shares your holding may differ from that shown. If you have already sold all your Mutiny Shares, do not complete or return this form.

### Step 2: Accept the Share Offer

Only sign and return this form if you wish to accept the Share Offer for ALL of your Mutiny Shares.

As your Mutiny Shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Share Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Share Offer on your behalf. If you want Doray to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Doray and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Share Offer on your behalf.

By signing this form, you warrant to Doray (and authorise Doray to warrant on your behalf) that you have full legal and beneficial ownership of the Mutiny Shares to which this form relates and that Doray will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Doray to initiate the acceptance of Doray's Share Offer on your behalf. Neither Doray or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Share Offer.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Company Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.


**Turn over to complete the form** ➔



# Transfer and Acceptance Form - Mutiny Shares

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## STEP 1 Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

**Offer Details:** Securityholding as at <REGISTER DATE>:

The consideration applicable under this Share Offer is 1 Doray Share for every 9.5 Mutiny Shares accepted (subject to the terms and conditions of the Share Offer).

You will be deemed to have accepted this consideration for ALL of your Mutiny Shares if you sign and return this form.

By accepting the Share Offer for ALL of your Mutiny Shares, you are accepting the Share Offer for ALL the Mutiny Shares as recorded as being held by you at the date your acceptance is processed (even if different to the number stated above).

## STEP 2 Accept the Share Offer

Only sign and return this form if you wish to accept the Share Offer for ALL of your Mutiny Shares. The consideration applicable is set out in the terms of Doray's Share Offer.

## STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Share Offer made by Doray for my/our Mutiny Shares and hereby agree to transfer to Doray ALL of my/our Mutiny Shares for the consideration specified in the Share Offer, and on the terms and conditions of the Share Offer as set out in the Bidder's Statement.

If you are a Foreign Securityholder, you will not receive Doray Shares under the Share Offer. Instead, your consideration will be the cash amount determined in accordance with section 10.10 of the Bidder's Statement.

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary  
(cross out titles as applicable)**

**Contact  
Name**

\_\_\_\_\_

**Contact  
Daytime  
Telephone**

\_\_\_\_\_

**Date**    /    /

\_\_\_\_\_

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Doray. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Doray or to third parties upon direction by Doray where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.



MYG TKO

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 **Computershare** +

# Doray Minerals Limited

ABN 48138978631

## Return your Form:



**By Mail:**  
Computershare Investor Services  
Pty Limited  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:



**Phone:**  
(within Australia) (08) 6140 7422  
(outside Australia) +61 8 6140 7422

└ 000001 000 MYGTKO  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Transfer and Acceptance Form - Option Offer

ISSUER



**Your form must be received by the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Option Offer") by Doray Minerals Limited ABN 48 138 978 631 ("Doray") to acquire all of your listed options in Mutiny Gold Ltd ABN 72 101 224 999 ("Mutiny") the terms of which are set out in the Bidder's Statement from Doray dated <DATE> as replaced or supplemented ("Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Option Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Mutiny register, as provided to Doray. The current address recorded by Doray is printed above and overleaf. If you have recently bought or sold Mutiny Listed Options your holding may differ from that shown. If you have already sold all your Mutiny Listed Options, do not complete or return this form.

### Step 2: Accept the Option Offer

Only sign and return this form if you wish to accept the Option Offer for ALL of your Mutiny Listed Options.

By signing this form, you warrant to Doray (and authorise Doray to warrant on your behalf) that you have full and beneficial ownership of the Mutiny Listed Options to which this form relates and that Doray will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and restrictions on transfer of any kind and free from any third party rights.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Company Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** ➔




Transfer and Acceptance Form - Mutiny Listed Options

I 1111111111

I ND

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

Registration Name:

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Offer Details:

Securityholding as at <REGISTER DATE>:  
  
The consideration applicable under this Option Offer is 1 Doray Listed  
Option for every 9.5 Mutiny Listed Options accepted (subject to the terms  
and conditions of the Option Offer).

You will be deemed to have accepted this consideration for ALL of your Mutiny Listed Options if you sign and return this form.

By accepting the Option Offer for ALL of your Mutiny Listed Options, you are accepting the Option Offer for ALL the Mutiny Listed Options as recorded as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Option Offer

Only sign and return this form if you wish to accept the Option Offer for ALL of your Mutiny Listed Options. The consideration applicable is set out in the terms of Doray's Option Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Option Offer made by Doray for my/our Mutiny Listed Options and hereby agree to transfer to Doray ALL of my/our Mutiny Listed Options for the consideration specified in the Option Offer, and on the terms and conditions of the Option Offer as set out in the Bidder's Statement.

If you are a Foreign Securityholder, you will not receive Doray Listed Options under the Option Offer. Instead, your consideration will be the cash amount determined in accordance with section 11.10 of the Bidder's Statement.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary  
(cross out titles as applicable)

Contact  
Name

Contact  
Daytime  
Telephone

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Doray. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Doray or to third parties upon direction by Doray where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

# Doray Minerals Limited

ABN 48138978631

000002 000 MYGTKO  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Return your Form:



**To Your Controlling Participant:**  
Return this form directly to your stockbroker



**By Mail:**  
**Computershare Investor Services Pty Limited**  
GPO Box 52  
Melbourne Victoria 3001  
Australia

## For all enquiries:



**Phone:**  
(within Australia) (08) 6140 7422  
(outside Australia) +61 8 6140 7422

## Transfer and Acceptance Form - Option Offer

CHESS



**Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Option Offer") by Doray Minerals Limited ABN 48 138 978 631 ("Doray") to acquire all of your listed options in Mutiny Gold Ltd ABN 72 101 224 999 ("Mutiny") the terms of which are set out in the Bidder's Statement from Doray dated <DATE> as replaced or supplemented ("Bidder's Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Option Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Mutiny register, as provided to Doray. The current address recorded by Doray is printed above and overleaf. If you have recently bought or sold Mutiny Listed Options your holding may differ from that shown. If you have already sold all your Mutiny Listed Options, do not complete or return this form.

### Step 2: Accept the Option Offer

Only sign and return this form if you wish to accept the Option Offer for ALL of your Mutiny Listed Options.

As your Mutiny Listed Options are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Option Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Option Offer on your behalf. If you want Doray to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Doray and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Option Offer on your behalf.

By signing this form, you warrant to Doray (and authorise Doray to warrant on your behalf) that you have full legal and beneficial ownership of the Mutiny Listed Options to which this form relates and that Doray will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Doray to initiate the acceptance of Doray's Option Offer on your behalf. Neither Doray or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Option Offer.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as Power of Attorney ("POA"), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Company Secretary.

**Overseas Companies:** Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** ➔




Transfer and Acceptance Form - Mutiny Listed Options

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STEP 1

Registration Name & Offer Details

 For your security keep your SRN/  
HIN confidential.

Registration Name:

MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Offer Details:

Securityholding as at <REGISTER DATE>:  
  
The consideration applicable under this Option Offer is 1 Doray Listed  
Option for every 9.5 Mutiny Listed Options accepted (subject to the terms  
and conditions of the Option Offer).  
  
You will be deemed to have accepted this consideration for ALL of your Mutiny Listed Options if you sign and  
return this form.  
  
By accepting the Option Offer for ALL of your Mutiny Listed Options, you are accepting the Option Offer for  
ALL the Mutiny Listed Options as recorded as being held by you at the date your acceptance is processed  
(even if different to the number stated above).

Controlling Participant Identifier:

STEP 2

Accept the Option Offer

Only sign and return this form if you wish to accept the Option Offer for ALL of your Mutiny Listed Options. The consideration applicable is set out in the terms of Doray's Option Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Option Offer made by Doray for my/our Mutiny Listed Options and hereby agree to transfer to Doray ALL of my/our Mutiny Listed Options for the consideration specified in the Option Offer, and on the terms and conditions of the Option Offer as set out in the Bidder's Statement.

If you are a Foreign Securityholder, you will not receive Doray Listed Options under the Option Offer. Instead, your consideration will be the cash amount determined in accordance with section 11.10 of the Bidder's Statement.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary  
(cross out titles as applicable)

Contact Name

Contact Daytime Telephone

Date

/

/

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Doray. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Doray or to third parties upon direction by Doray where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.